

ORDINANCE NO. O-2014-02

AN ORDINANCE OF THE CITY OF HOLLYWOOD, FLORIDA, AMENDING SECTION 33.025 OF THE CODE OF ORDINANCES TO INCORPORATE PENSION PROVISIONS OF NEW COLLECTIVE BARGAINING AGREEMENTS WITH AFSCME, ALLOW CONTRIBUTING MEMBERS TO BUY CREDITED SERVICE FOR PERIODS OF PRIOR CITY EMPLOYMENT, AND IMPROVE CLARITY; AMENDING SECTION 33.029 OF THE CODE OF ORDINANCES TO INCORPORATE PENSION PROVISIONS OF NEW COLLECTIVE BARGAINING AGREEMENTS WITH AFSCME.

WHEREAS, AFSCME Local 2432 and the City of Hollywood, Florida have negotiated (i) a collective bargaining agreement covering the supervisory bargaining unit for the period from October 1, 2012 to September 30, 2015 and (ii) collective bargaining agreements covering the professional and general employee bargaining units for the period from October 1, 2013 to September 30, 2015; and

WHEREAS, the collective bargaining agreements contain amendments to the pension plan that covers the members of the supervisory, professional and general employee bargaining units, and these amendments must be incorporated into the Employees Retirement Plan as contained in the Code of Ordinances; and

WHEREAS, certain amendments to the Employees Retirement Plan that were adopted by Ordinance No. O-2011-25 are unclear and should be clarified to ensure their correct interpretation; and

WHEREAS, one or more current City employees who participate in the Employees Retirement Plan were previously employed by the City in permanent full-time positions that were not covered by any City retirement plan; and

WHEREAS, the City Commission wishes to allow these employees to purchase credited service under the Employees Retirement Plan for their prior periods of City employment; and

WHEREAS, Section 33.031 of the Code of Ordinances provides that the subchapter of Chapter 33 titled "Employees' Retirement Fund" may be amended by (a) a "majority plus one" vote of the City Commission and 50% plus one of the voting members

(Coding: Words and figures underscored are additions to existing law; words and figures ~~struck through~~ are deletions.)

of the Employees' Retirement Fund or (b) a majority vote of electors voting in a referendum election called for such purpose by the City Commission; and

WHEREAS, it is expected that the amendments contained in this ordinance will be adopted in accordance with the procedure designated as (a) in the preceding paragraph, and, to accomplish that, this ordinance must be adopted by a "majority plus one" vote of the City Commission;

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

Section 1: That Section 33.025(A) of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*RETIREMENT*

*EMPLOYEES' RETIREMENT FUND*

§ 33.025 PENSIONS AND RETIREMENT

(A) *Establishment and purpose.*

\* \* \*

(5) (a) The benefit structure in effect on September 30, 2011 is frozen at midnight on that date for general fund members. All general fund 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 to general fund members under the frozen benefit structure. Effective October 1, 2011, general fund members are subject to a new benefit structure applicable to future service as set forth in this § 33.025.

~~(a) Any member who, on or after October 1, 2011, transfers between a position in which he or she is a general fund member and a position in which he or she is not a general fund member shall be subject to the benefit structure applicable to general fund members for all periods of time during which he or she is a general fund member and shall be subject to the benefit structure applicable to~~

~~members who are not general fund members for all periods of time during which he or she is not a general fund member.~~

(b) Notwithstanding any provision contained in this § 33.025 to the contrary, for any general fund member who becomes eligible to retire with normal retirement benefits on or before September 30, 2011 and is so eligible 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; provided, however, that any such member who does not enter the DROP on or before September 30, 2011 shall not be eligible to participate in the DROP.

(6) (a) The benefit structure in effect on March 4, 2014 is frozen at midnight on that date for non-general fund members. All non-general fund 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 to non-general fund members under the frozen benefit structure. Effective March 5, 2014, non-general fund members are subject to a new benefit structure applicable to future service as set forth in this § 33.025.

(b) Notwithstanding any provision contained in this § 33.025 to the contrary, for any non-general fund member who becomes eligible to retire with normal retirement benefits on or before March 4, 2014 and is so eligible on March 4, 2014, the benefit structure in effect on March 4, 2014 shall remain in effect beyond March 4, 2014 and shall not be frozen; provided, however, that any such member who does not enter the DROP on or before March 4, 2014 shall not be eligible to participate in the DROP.

(7) Any member who, during the period beginning October 1, 2011 and ending March 4, 2014, transfers between a position in which he or she is a general fund member and a position in which he or she is a non-general fund member shall be subject to the benefit structure applicable to general fund members for all periods of time during which he or she is a general fund member and shall be subject to the benefit structure applicable to non-general fund members for all periods of time during which he or she is a non-general fund member.

Section 2: That Section 33.025(B) of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

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### CHAPTER 33: CITY EMPLOYEES

\* \* \*

RETIREMENT

EMPLOYEES' RETIREMENT FUND

§ 33.025 PENSIONS AND RETIREMENT

\* \* \*

(B) *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 a member hired prior to July 15, 2009, means monthly average compensation for the highest 78 consecutive bi-weekly pay periods of credited service. Payments for accumulated sick and annual leave received by such a member following separation from employment and included in compensation in accordance with the definition of *COMPENSATION* below, shall be deemed to have been received in the final pay period for the purpose of this definition. *AVERAGE FINAL COMPENSATION* for members hired on or after July 15, 2009 is set forth in division (AA) below, and *AVERAGE FINAL COMPENSATION* for members hired on or after October 1, 2011 is set forth in division (CC) below. The definition of *AVERAGE FINAL COMPENSATION* set forth above is frozen at midnight on September 30, 2011 for general fund members and at midnight on March 4, 2014 for non-general fund members. Under the benefit structure effective October 1, 2011 for general fund members and effective March 5, 2014 for non-general fund members, a definition of *AVERAGE FINAL COMPENSATION* is set forth in division (BB) below.

\* \* \*

*COMPENSATION.* A member's gross wages received from the city, including overtime and payments for accumulated annual leave and accumulated sick leave, except as provided below:

\* \* \*

(e) Compensation for members hired on or after July 15, 2009 but prior to October 1, 2011 is set forth in division (AA) below, ~~and~~ compensation for members hired on or after October 1, 2011 but prior to March 5, 2014 is set forth in division (CC) below, and compensation for members hired on or after March 5, 2014 is set forth in division (DD) below.

\* \* \*

The definition of compensation set forth above is frozen at midnight on September 30, 2011 for general fund members hired prior to July 15, 2009 and at

midnight on March 4, 2014 for non-general fund members hired prior to July 15, 2009. Under the benefit structure effective October 1, 2011 for general fund members hired prior to July 15, 2009 and effective March 5, 2014 for non-general fund members hired prior to July 15, 2009, a definition of compensation for general fund members is set forth in division (BB).

\* \* \*

~~*VESTING PERIOD.* The period of credited service required to obtain a nonforfeitable right to receive a future benefit under the plan. The vesting period for employees hired prior to July 15, 2009, who separate from city employment on or after July 1, 1999 is five years of credited service. The vesting period for employees who separated from city employment before July 1, 1999 is ten years of credited service. The vesting period for employees hired on or after July 15, 2009 is set forth in division (AA) below.~~

Section 3: That Section 33.025(D) of the Code of Ordinances is hereby amended to read as follows:

### TITLE III: ADMINISTRATION

\* \* \*

### CHAPTER 33: CITY EMPLOYEES

\* \* \*

### *RETIREMENT*

### *EMPLOYEES' RETIREMENT FUND*

### § 33.025 PENSIONS AND RETIREMENT

\* \* \*

(D) *Credited service.* Each member shall receive credit for service rendered as an employee as follows:

\* \* \*

(10) Any city employee who, on March 5, 2014, is a contributing member of this plan may purchase credited service under the plan for each period of prior city employment in a permanent full-time position that was not eligible for membership in a defined benefit retirement plan of the City. Such member may enter into an agreement at any time prior to separation from city employment to purchase such credited service by

paying a contribution of 8% of the compensation received during the period of prior employment, plus a buy-back fee of 4% of the total contribution amount. If the total contribution amount and buy-back fee is not fully paid by the time the member leaves city employment, an additional 6 1/2% fee will be charged on the unpaid balance remaining when the member separates from city employment. Payments for the purchase of credited service made pursuant to this division must be made using any one or a combination of the following options:

(a) Cash lump sum payment.

(b) Direct transfer or rollover of an eligible rollover distribution from a qualified plan, in accordance with (Y) below.

(c) Time payment plan. Under this option the member may elect to pay any remaining balance due for the purchase of credited service through a time payment plan approved by the city and the employee. Under such plan, bi-weekly payments shall be deducted from the member's compensation, and if there is any remaining balance due upon separation from city employment, monthly payments shall be deducted from the member's monthly pension benefit until the remaining balance is fully paid; provided that the deduction shall not exceed 20% of the member's gross monthly pension benefit.

Section 4: That Section 33.025(E) of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

RETIREMENT

EMPLOYEES' RETIREMENT FUND

§ 33.025 PENSIONS AND RETIREMENT

\* \* \*

(E) *Normal retirement date.*

(1) A member hired prior to July 15, 2009 who separates from city employment on or after July 1, 1999 may retire with normal retirement benefits upon

attaining 25 years of credited service regardless of age, or upon reaching age 55 with at least five years of credited service, subject, however, to the additional provisions applicable to such a member under the benefit structure effective October 1, 2011 for general fund members and effective March 5, 2014 for non-general fund members as specified in division (BB) below.

\* \* \*

(4) The normal retirement date for members hired on or after July 15, 2009 but prior to October 1, 2011 is specified in division (AA) below.

(5) The normal retirement date for members hired on or after October 1, 2011 but prior to March 5, 2014 is specified in division (CC) below.

(6) The normal retirement date for members hired on or after March 5, 2014 is specified in division (DD) below.

Section 5: That Section 33.025(F) of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*RETIREMENT*

*EMPLOYEES' RETIREMENT FUND*

§ 33.025 PENSIONS AND RETIREMENT

\* \* \*

*(F) Normal retirement benefit.*

(1) The retirement benefit payable to a member hired prior to July 15, 2009 who separates from city employment on or after October 1, 1998 shall be 3% of average final compensation multiplied by years of credited service, up to a maximum of 27 years of credited service and a maximum pension rate of 81%. Such benefit shall be payable on the member's normal retirement date and separation from city employment. The normal retirement benefit specified in this paragraph is frozen at midnight on September 30, 2011 for general fund members and at midnight on March 4, 2014 for

non-general fund members. The normal retirement benefit for general fund members hired prior to July 15, 2009, under the benefit structure effective October 1, 2011, and for non-general fund members hired prior to July 15, 2009, under the benefit structure effective March 5, 2014, is specified in division (BB) below.

\* \* \*

(3) The normal retirement benefit for members hired on or after July 15, 2009 but prior to October 1, 2011 is specified in division (AA) below.

(4) The normal retirement benefit for members hired on or after October 1, 2011 but prior to March 5, 2014 is specified in division (CC) below.

(5) The normal retirement benefit for members hired on or after March 5, 2014 is specified in division (DD) below.

Section 6: That Section 33.025(G) of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*RETIREMENT*

*EMPLOYEES' RETIREMENT FUND*

§ 33.025 PENSIONS AND RETIREMENT

\* \* \*

(G) Deferred vested retirement.

(1) Any member hired prior to July 15, 2009, irrespective of age, who separates from city employment on or after July 1, 1999 after having completed at least five years of credited service prior to October 1, 2011 and does not receive a refund of contributions, and any member hired prior to July 15, 2009, irrespective of age, who separates from city employment on or after October 1, 2011 after having completed at least five years of credited service consisting of any combination of credited service (i) as a member of any kind prior to October 1, 2011 and (ii) as a member other than a general fund member on or after October 1, 2011 but prior to March 5, 2014, shall have



the right to receive a service retirement benefit beginning at age 55 based on the benefit formula in effect on the date of separation from city employment and years of credited service and average final compensation on that date. Deferred vested retirement for members hired prior to July 15, 2009 is further specified in division (BB) below.

\* \* \*

(3) Deferred vested retirement for members hired on or after July 15, 2009 but prior to October 1, 2011 is set forth in division (AA) below.

(4) Deferred vested retirement for members hired on or after October 1, 2011 but prior to March 5, 2014 is set forth in division (CC) below.

(5) Deferred vested retirement for members hired on or after March 5, 2014 is set forth in division (DD) below.

Section 7: That Section 33.025(J) of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*RETIREMENT*

*EMPLOYEES' RETIREMENT FUND*

§ 33.025 PENSIONS AND RETIREMENT

\* \* \*

(J) *Benefit adjustments.*

\* \* \*

(5) For members hired prior to July 15, 2009 who retire on or after August 17, 2009 without entering the DROP, a 2% COLA shall be payable annually commencing three years after retirement benefits begin. For members hired prior to July 15, 2009 who enter the DROP on or after August 17, 2009, a 2% COLA will be payable annually, commencing the later of three years after retirement benefits begin or one year after separation from employment following participation in the DROP. For

general fund members, the The benefit provided in this paragraph is frozen as of midnight on September 30, 2011. Under the benefit structure effective October 1, 2011 for general fund members, no COLA shall be payable. For non-general fund members, the benefit provided in this paragraph is frozen as of midnight on March 4, 2014. Under the benefit structure effective March 5, 2014 for non-general fund members, no COLA shall be payable.

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Section 8: That Subsection 33.025(L) of the Code of Ordinances is hereby created to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*RETIREMENT*

*EMPLOYEES' RETIREMENT FUND*

§ 33.025 PENSIONS AND RETIREMENT

\* \* \*

(L) *Disability retirement.*

\* \* \*

(2) Except as set forth in division (3) below, upon total and permanent disability of a member hired prior to July 15, 2009 having at least five years of credited service, from causes other than the performance of an act of duty as an employee of the city, resulting in the inability of the member to perform the specific duties of his or her position in the service of the city, such member shall be entitled to a disability retirement benefit equal in rate to that provided for service retirement, but not less than 20% of average salary. Based on the available medical information, the Human Resources Director shall make the final determination regarding the ability of the member to perform the specific duties of his or her position. The eligibility of members hired on or after July 15, 2009 but prior to October 1, 2011 for non-duty disability benefits is specified in division (AA) below. The eligibility of members hired on or after October 1, 2011 but prior to March 5, 2014 for non-duty disability benefits is specified in division (CC) below. The eligibility of members hired on or after March 5, 2014 for non-

duty disability benefits is specified in division (DD) below. If a general fund member hired prior to October 1, 2011 is entitled to a non-duty disability benefit and the date of disability, defined as the date the member becomes disabled, as opposed to the date on which the determination of disability is made, is on or after October 1, 2011, the amount of the non-duty disability benefit to which the member is entitled shall equal the sum of (i) a benefit for the period prior to October 1, 2011 calculated in accordance with the benefit structure frozen as of September 30, 2011, and (ii) a benefit for the period on and after October 1, 2011 calculated in accordance with the benefit structure effective October 1, 2011. If a non-general fund member hired prior to March 5, 2014 is entitled to a non-duty disability benefit and the date of disability, defined as the date the member becomes disabled, as opposed to the date on which the determination of disability is made, is on or after March 5, 2014, the amount of the non-duty disability benefit to which the member is entitled shall equal the sum of (i) a benefit for the period prior to March 5, 2014 calculated in accordance with the benefit structure frozen as of March 4, 2014, and (ii) a benefit for the period on and after March 5, 2014 calculated in accordance with the benefit structure effective March 5, 2014.

\* \* \*

Section 9: That Subsection 33.025(O) of the Code of Ordinances is hereby created to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*RETIREMENT*

*EMPLOYEES' RETIREMENT FUND*

§ 33.025 PENSIONS AND RETIREMENT

\* \* \*

*(O) Financing.*

(1) The Fund shall be financed in accordance with actuarial requirements by the following revenues:

(a) Contributions by employees hired prior to July 15, 2009 of 7% of compensation prior to October 1, 2009, 8% of compensation as of October 1, 2009, and

9% of compensation as of October 1, 2010, and 8% of compensation effective no later than the first day of a pay period that begins within thirty (30) days (i.e., one month) after March 5, 2014, to be deducted from members' pay at regular payroll periods. Contributions deducted from a member's pay, including contributions deducted from a member's pay to purchase credited service in accordance with division (D)(6) and (7) above, 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 member's gross income for federal income tax purposes in accordance with the code and applicable regulations. For all other purposes of the plan, such contributions shall be considered to be member contributions. A member's election to purchase credited service through payroll deduction in accordance with division (D)(6) and (7) above shall be irrevocable. The employee contributions for members hired on or after July 15, 2009 but prior to October 1, 2011 is specified in division (AA) below;

\* \* \*

Section 10: That Subsection 33.025(AA) of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*RETIREMENT*

*EMPLOYEES' RETIREMENT FUND*

§ 33.025 PENSIONS AND RETIREMENT

\* \* \*

(AA) *Benefits and employee contributions for members hired on or after July 15, 2009 but prior to October 1, 2011.*

(1) Notwithstanding any other provision of the plan, members hired on or after July 15, 2009 but prior to October 1, 2011 shall receive the same retirement benefits as members hired prior to that date, except as follows ~~subject to the following:~~

(a) Under the benefit structure effective October 1, 2011 for general fund members and effective March 5, 2014 for non-general fund members, the ~~The~~

normal retirement dates ~~for general fund members~~ shall be age 65 or older with seven years of credited service; age 62 or older with 25 years of credited service; or age 60 or older with 30 years of credited service; under the benefit structure effective prior to October 1, 2011 for general fund members and prior to March 5, 2014 for non-general fund members, the normal retirement dates ~~for members who are not general fund members~~ shall be age 57 or older with 25 years of credited service; age 60 or older with seven years of credited service; or 30 years of credited service, regardless of age;

\* \* \*

(c) Upon reaching the normal retirement date, a general fund member who separates from city employment prior to March 5, 2014 is entitled to a normal retirement benefit of (i) 2.5% of average final compensation for each year of credited service earned prior to October 1, 2011 and (ii) 2.0% of average final compensation, ~~up to a maximum benefit of 76% (81% less two times 2.5%) of average final compensation~~ for each year of credited service earned on or after October 1, 2011. Upon reaching the normal retirement date, a general fund member who is employed by the city on March 5, 2014 is entitled to a normal retirement benefit of (iii) 2.5% of average final compensation for each year of credited service earned prior to October 1, 2011 and (iv) 2.5% of average final compensation for each year of credited service earned on or after October 1, 2011, up to a maximum benefit, for credited service earned on or after October 1, 2011, of 81% of average final compensation less 2.5% of average final compensation for each year of credited service earned prior to October 1, 2011 (see paragraph (d) below for different definitions of average final compensation to be applied to (i) and (ii) above). Upon reaching the normal retirement date, a non-general fund member is entitled to a normal retirement benefit of (v) 2.5% of average final compensation for each year of credited service earned prior to March 5, 2014 and (vi) 2.5% of average final compensation for each year of credited service earned on or after March 5, 2014, up to a maximum benefit, for credited service earned on or after March 5, 2014, of 81% of average final compensation less 2.5% of average final compensation for each year of credited service earned prior to March 5, 2014 (see paragraph (d) below for definitions of average final compensation to be applied to (i) through (vi) above);

(d) Average final compensation shall be based on the member's highest 104 consecutive bi-weekly pay periods of credited service; provided, however, that under the benefit structure effective October 1, 2011 for general fund members and effective March 5, 2014 for non-general fund members, average final compensation shall be based on the member's highest 130 consecutive bi-weekly pay periods of the last 260 bi-weekly pay periods of credited service;

\* \* \*

(g) A member who separates from city employment prior to his or her normal retirement date after having completed at least seven years of credited

service and does not receive a refund of contributions shall have the right to receive a service retirement benefit beginning at age 60 based on the benefit formula in effect on the date of separation from city employment and years of credited service and average final compensation on that date; provided, however, that general fund members shall have their years of credited service and average final compensation frozen under the benefit structure in effect as of September 30, 2011 and non-general fund members shall have their years of credited service and average final compensation frozen under the benefit structure in effect as of March 4, 2014; also provided, however, that under the benefit structure effective October 1, 2011 for general fund members and effective March 5, 2014 for non-general fund members, the right to receive a service retirement benefit under that benefit structure shall begin at age 65.

\* \* \*

(2) Notwithstanding any other provision of the plan, members hired on or after July 15, 2009 shall contribute 9% of their compensation to the plan. Effective no later than the first day of a pay period that begins within thirty (30) days (i.e., one month) after March 5, 2014, such members shall contribute 8% of their compensation to the plan.

Section 11: That Subsection 33.025(BB) of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*RETIREMENT*

*EMPLOYEES' RETIREMENT FUND*

§ 33.025 PENSIONS AND RETIREMENT

\* \* \*

(BB) *Benefits for members hired prior to July 15, 2009.*

(1) Members hired prior to July 15, 2009 shall continue to receive the same retirement benefits under the benefit structure effective October 1, 2011 that they received immediately prior to October 1, 2011, except as follows ~~subject to the following~~:

(a) Notwithstanding any provision contained in this § 33.025 to the contrary, for any general fund member who becomes eligible to retire with normal retirement benefits on or before September 30, 2011 and is so eligible 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; provided, however, that any such member who does not apply, on or before September 30, 2011, to enter the DROP shall not be eligible to participate in the DROP. Notwithstanding any provision contained in this § 33.025 to the contrary, for any non-general fund member who becomes eligible to retire with normal retirement benefits on or before March 4, 2014 and is so eligible on March 4, 2014, the benefit structure in effect on March 4, 2014 shall remain in effect beyond March 4, 2014 and shall not be frozen; provided, however, that any such member who does not, on or before March 4, 2014, enter the DROP shall not be eligible to participate in the DROP.

(b) Under the benefit structure effective October 1, 2011, the normal retirement date for a general fund member with less than ten years of credited service as of September 30, 2011 shall be age 65 or older with seven years of credited service; age 62 or older with 25 years of credited service; or age 60 or older with 30 years of credited service; provided, however, that the normal retirement date of a general fund member with ten or more years of credited service as of September 30, 2011 shall remain the same as it was on September 30, 2011. Under the benefit structure effective March 5, 2014, the normal retirement date for a non-general fund member with less than ten years of credited service as of March 4, 2014 shall be age 65 or older with seven years of credited service; age 62 or older with 25 years of credited service; or age 60 or older with 30 years of credited service; provided, however, that the normal retirement date of a non-general fund member with ten or more years of credited service as of March 4, 2014 shall remain the same as it was on March 4, 2014.

(c) The vesting period for general fund employees who have not vested as of September 30, 2011 and for non-general fund employees who have not vested as of March 4, 2014 shall be seven years of credited service;

(d) Upon reaching the normal retirement date, a A general fund member who separates from city employment prior to March 5 February 19, 2014 is entitled to a normal retirement benefit of (i) 3.0% of average final compensation for each year of credited service earned prior to October 1, 2011 and (ii) 2.0% of average final compensation for each year of credited service earned on or after October 1, 2011, up to a maximum benefit, for credited service earned on or after October 1, 2011, equal to the net result of subtracting from 81% of average final compensation less the product of 3.0% of average final compensation for each year times the number of years of credited service earned prior to up to October 1 September 30, 2011; provided, however that a. Upon reaching the normal retirement date, a A general fund member who is employed by the city on March 5 February 19, 2014 is entitled to a normal retirement benefit of (i)

3.0% of average final compensation for each year of credited service earned prior to October 1, 2011 and (ii) 2.5% of average final compensation for each year of credited service earned on or after October 1, 2011, up to a maximum benefit, for credited service earned on or after October 1, 2011, of 81% of average final compensation less 3.0% of average final compensation for each year of credited service earned prior to October 1, 2011.

Upon reaching the normal retirement date, a A non-general fund member is entitled to a normal retirement benefit of (i) 3.0% of average final compensation for each year of credited service earned prior to March 5, 2014 and (ii) 2.5% of average final compensation for each year of credited service earned on or after March 5, 2014, up to a maximum benefit, for credited service earned on or after March 5, 2014, of 81% of average final compensation less 3.0% of average final compensation for each year of credited service earned prior to March 5, 2014.

(e) Under the benefit structure effective October 1, 2011 for general fund members and effective March 5, 2014 for non-general fund members, average final compensation shall be based on the member's highest 130 consecutive bi-weekly pay periods of the last 260 bi-weekly pay periods of credited service.

(f) Under the benefit structure effective October 1, 2011 for general fund members and effective March 5, 2014 for non-general fund members, compensation shall include only the member's base pay, which includes longevity pay, but no other payments shall be included.

(g) Under the benefit structure effective October 1, 2011 for general fund members and effective March 5, 2014 for non-general fund members, eligibility ~~Eligibility~~ for non-duty disability benefits shall commence upon attaining seven years of credited service.

(h) A member who separates from city employment prior to his or her normal retirement date after having completed at least five years of credited service and does not receive a refund of contributions shall have the right to receive a service retirement benefit beginning at age 55 based on the benefit formula in effect on the date of separation from city employment and years of credited service and average final compensation on that date; provided, however, that general fund members who are not eligible for normal retirement as of September 30, 2011 shall have their years of credited service and average final compensation frozen under the benefit structure in effect as of September 30, 2011 and non-general fund members who are not eligible for normal retirement as of March 4, 2014 shall have their years of credited service and average final compensation frozen under the benefit structure in effect as of March 4, 2014; also provided however that under the benefit structure effective October 1, 2011 for general fund members and effective March 5, 2014 for non-general fund members, the right to receive a service retirement benefit under that benefit structure shall begin at age 65.



(i) A general fund member who is eligible to enter the DROP prior to October 1, 2011 but does not apply, prior to October 1, 2011, to enter the DROP prior to October 1, 2011 shall not be eligible to participate in the DROP. A non-general fund member who does not enter the DROP prior to March 5, 2014 shall not be eligible to participate in the DROP.

(j) A general fund member's entitlement to a benefit in the form of a COLA shall be frozen as of midnight on September 30, 2011, and a non-general fund member's entitlement to a benefit in the form of a COLA shall be frozen as of midnight on March 4, 2014. Under the benefit structure effective October 1, 2011 for general fund members and effective March 5, 2014 for non-general fund members, a general fund member shall not be eligible for a COLA.

(2) Notwithstanding any other provision of the plan, members hired prior to July 15, 2009 shall contribute 9% of their compensation to the plan. Effective no later than the first day of a full pay period that begins within thirty (30) days (i.e., one month) after March 5, 2014, such members shall contribute 8% of their compensation to the plan.

Section 12: That Section 33.025(CC) of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

RETIREMENT

EMPLOYEES' RETIREMENT FUND

§ 33.025 PENSIONS AND RETIREMENT.

\* \* \*

(CC) Benefits for members hired after the 2011 plan freeze but prior to the 2014 plan freeze.

(1) Members hired on or after October 1, 2011 but prior to March 5, 2014 shall receive the same retirement benefits as members hired on or after July 15, 2009 but prior to October 1, 2011, except as follows subject to the following:

\* \* \*

(c) Upon reaching his/her normal retirement date, a general fund member is entitled to a normal retirement benefit of ~~2.0% of average final compensation for each year of credited service, up to a maximum benefit of 81% of average final compensation~~ 2.5% of average final compensation for each year of credited service, up to a maximum benefit of 81% of average final compensation.

Upon reaching his/her normal retirement date, a A non-general fund member is entitled to a normal retirement benefit of (i) 3.0% of average final compensation for each year of credited service earned prior to March 5, 2014 and (ii) 2.5% of average final compensation for credited service earned on or after March 5, 2014, up to a maximum benefit, for credited service earned on or after March 5, 2014, of 81% of average final compensation less 3.0% of average final compensation for each year of credited service earned prior to March 5, 2014.

(d) Under the benefit structure effective October 1, 2011 for general fund members and effective March 5, 2014 for non-general fund members, average Average final compensation for a general fund member shall be based on the member's highest 130 consecutive bi-weekly pay periods of the last 260 bi-weekly pay periods of credited service.

\* \* \*

(2) Notwithstanding any other provision of the plan, members hired on or after October 1, 2011 2009 shall contribute 9% of their compensation to the plan. Effective no later than the first day of a pay period that begins within thirty (30) days (i.e., one month) after March 5, 2014, such members shall contribute 8% of their compensation to the plan.

Section 13: That Section 33.025(DD) of the Code of Ordinances is hereby created to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*RETIREMENT*

*EMPLOYEES' RETIREMENT FUND*

§ 33.025 PENSIONS AND RETIREMENT

\* \* \*

(DD) Benefits for members hired after the 2014 plan freeze.

(1) Members hired on or after March 5, 2014 shall receive the same retirement benefits as members hired on or after October 1, 2011 but prior to March 5, 2014, except as follows:

(a) The normal retirement date shall be age 65 or older with seven years of credited service; age 62 or older with 25 years of credited service; or age 60 or older with 30 years of credited service;

(b) The vesting period shall be seven years of credited service;

(c) Upon reaching his/her normal retirement date, a member is entitled to a normal retirement benefit of 2.5% of average final compensation for each year of credited service, up to a maximum benefit of 81% of average final compensation;

(d) Average final compensation shall be based on the highest 130 consecutive bi-weekly pay periods of the last 260 bi-weekly pay periods of credited service;

(e) Compensation shall include only the member's base pay, which includes longevity pay, but no other payments shall be included;

(f) Eligibility for non-duty disability benefits shall commence upon attaining seven years of credited service;

(g) A member who (i) separates from city employment prior to his or her normal retirement date after having completed at least seven years of credited service and (ii) does not receive a refund of contributions shall have the right to receive a service retirement benefit beginning at age 65 based on the benefit formula in effect on the date of separation from city employment and years of credited service and average final compensation on that date;

(h) The member shall not be eligible to participate in the DROP;

(i) The member shall not be eligible for a COLA.

(2) Notwithstanding any other provision of the plan, members hired on or after March 5, 2014 shall contribute 9% of their compensation to the plan. Effective no later than the first day of a pay period that begins within thirty (30) days (i.e., one month)

after March 5, 2014, such members shall contribute 8% of their compensation to the plan.

Section 14: That Section 33.025(EE) of the Code of Ordinances is hereby created to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

RETIREMENT

EMPLOYEES' RETIREMENT FUND

§ 33.025 PENSIONS AND RETIREMENT

\* \* \*

(EE) *Planned Retirement Benefit; Partial Lump Sum Distribution Benefit.*

(1) There is hereby created a benefit to be known as the Planned Retirement Benefit.

(a) The Planned Retirement Benefit, as described below, will be retroactive to October 1, 2011, and will be available to any member who was a contributing member of this plan prior to July 15, 2009 and who remained a contributing member continuously through and including ~~on~~ March 5, 2014 .

(b) In order to be eligible, 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 § 33.025(E). The form will identify the maximum number of years the member may participate in the Planned Retirement Benefit and the member's latest employment termination date based on the maximum number of years identified.

(c) A member may terminate employment any time prior to reaching the Planned Retirement Benefit's maximum participation period of five (5) years.

(d) When a member who has participated in the 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 all of the years the employee 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 years the member worked after electing to participate in the Planned Retirement Benefit; or (iii) any combination of a lump sum payment and a pension annuity by dividing the years worked after electing to participate in the Planned Retirement Benefit between a lump sum payment and ongoing 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).

(e) While participating in the Planned Retirement Benefit, a member shall continue making his/her applicable employee contributions until termination of employment.

(f) Any member who has reached his/her normal retirement date and has submitted the written election form to participate in the Planned Retirement Benefit shall maintain the right to participate in the 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 as provided in this subsection, and no subsequent amendment to the pension plan may alter this right.

(g) For any member who reached his/her normal retirement date between October 1, 2011 and March 4, 2014, 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 subdivision (c) above.

(h) 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 member's credited service, average final compensation, and multiplier, as provided in the pension plan as of the beginning of the Planned Retirement Benefit participation period, plus earnings on such amounts as provided in subdivision (i) below, subject to the limitations in subdivision (j) below.

(i) 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 credited service worked during the Planned Retirement

Benefit participation period and applied to the prior pension annuity balance including all prior months of credited 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. 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. The investment earnings credited to said member will be net of the investment earnings retained by the pension fund per subdivision (j) below.

(j) 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 is 90% funded, 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%.

(k) 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 designated beneficiary (or beneficiaries) (per division (M) above) shall make the election provided in subdivision (d) above with respect to the Planned Retirement Benefits earned.

(2) There is hereby created a benefit to be known as the Partial Lump Sum Distribution Benefit.

(a) The Partial Lump Sum Distribution Benefit, as described below, will be available only to members who (i) reach their normal retirement date, as defined in § 33.025(E), on or after March 5, 2014 and (ii) do not enter the DROP plan.

(b) The Partial Lump Sum Distribution Benefit is an optional form of payment of a member's retirement benefit that allows a member to receive a fixed percentage, not to exceed 25%, of the member's benefit as a lump sum payment and the balance of the member's benefit as a monthly annuity. The value of the combined lump sum and annuity benefits to which a member is entitled will be actuarially equivalent to the value of benefits otherwise payable, so there is no cost to the plan.

(3) A member who is eligible for the Planned Retirement Benefit may elect to participate in the Planned Retirement Benefit or the Partial Lump Sum Distribution Benefit but may not participate in both of these optional benefits.

Section 15: That Section 33.029 of the Code of Ordinances is hereby amended to read as follows:

TITLE III: ADMINISTRATION

\* \* \*

CHAPTER 33: CITY EMPLOYEES

\* \* \*

*RETIREMENT*

*EMPLOYEES' RETIREMENT FUND*

\* \* \*

§ 33.029 COORDINATION OF PENSION BENEFITS.

In the event that a city employee transfers from another retirement plan sponsored by the city to this plan or from this plan to another retirement plan sponsored by the city ~~changes his or her job status with the city such that he or she is considered an employee pursuant to this plan, his or her pension status will be he may become a member of this plan~~ subject to the following rules:

\* \* \*

(E) If a member of this plan transferred to the Police Officer's Retirement System and subsequently participates in the DROP plan of the Police Officer's Retirement System, any DROP benefit being held for the member in this plan may be transferred from this plan to the Police Officer's Retirement System.

(E E) The coordination of benefits provision in this section shall have no application to any city employee who becomes a Police Officer or Firefighter on or after July 15, 2009.

ORDINANCE AMENDING SECTIONS 33.025 AND 33.029 TO INCORPORATE PROVISIONS OF COLLECTIVE BARGAINING AGREEMENTS.

Section 16: That it is the intention of the City Commission that the provisions of this ordinance shall become and be made a part of the Charter of the City of Hollywood, Florida, and the provisions of this ordinance may be renumbered to accomplish such intention.

Section 17: 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 18: 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 herewith be and the same are hereby repealed to the extent of such conflict.

Section 19: That this ordinance shall be in full force and effect immediately upon its approval by a "majority plus one" vote of the City Commission and 50% plus one of the voting members of the Employees' Retirement Fund.

ADVERTISED on Feb 21, 2014.

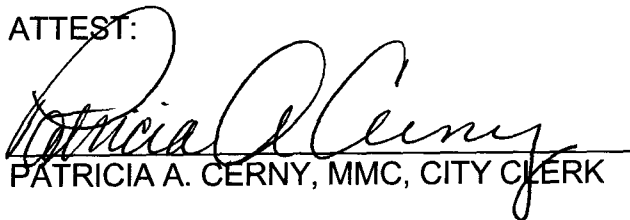
PASSED on first reading this 15 day of Jan, 2014.

PASSED AND ADOPTED on second reading this 5 day of MARCH, 2014.



PETER BOBER, MAYOR

ATTEST:



PATRICIA A. CERNY, MMC, CITY CLERK

APPROVED AS TO FORM & LEGALITY  
for the use and reliance of the  
City of Hollywood, Florida only:



JEFFREY P. SHEFFEL, CITY ATTORNEY