

ORDINANCE 2023-50

AN ORDINANCE OF THE CITY OF PALM BAY, BREVARD COUNTY, FLORIDA, AMENDING THE CODE OF ORDINANCES, TITLE V, LEGISLATIVE, CHAPTER 55, POLICE AND FIREFIGHTERS RETIREMENT PENSION PLAN, BY MODIFYING PROVISIONS RELATED TO OPTIONAL FORMS OF BENEFITS AND MINIMUM DISTRIBUTION OF BENEFITS; PROVIDING FOR THE REPEAL OF ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH; PROVIDING FOR INCLUSION IN THE CITY OF PALM BAY CODE OF ORDINANCES; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Palm Bay Police Officers' and Firefighters' Retirement System ("Pension Plan") is governed by Chapters 175 and 185, Florida Statutes, and

WHEREAS, the City of Palm Bay has a Police Officers' and Firefighters' Retirement System for the benefit of City police officers and firefighters, and

WHEREAS, optional forms of benefits paid to a retiree are required to be the actuarial equivalent of the normal form of benefit, and

WHEREAS, benefits need to be recalculated when a retiree changes their beneficiary to continue being the actuarial equivalent of the normal form of benefit, and

WHEREAS, benefits recalculated on a prospective basis is in the best interest of the City of Palm Bay and the participants of the Plan, and

WHEREAS, changes to the Internal Revenue Code happen quickly and frequently. There is a benefit in authorizing the Board of Trustee of the City of Palm Bay Police Officers' and Firefighters' Pension Trust Fund to make appropriate changes to the Plan in order to maintain the Plan's tax qualified status, and

WHEREAS, effective January 1, 2023, the Internal Revenue Code was amended by increasing the required minimum distribution age from 72 to 73, and

WHEREAS, the Palm Bay City Council has determined that the passage of this ordinance is in the best interest of the citizens of the City of Palm Bay.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF PALM BAY, FLORIDA, as follows:

SECTION 1. The City of Palm Bay Code of Ordinances, Title V, Legislative, Chapter 55, Police and Firefighters Retirement Pension Plan, Section 55.11, Optional Forms of Benefits, is hereby amended and shall henceforth read as follows:

"Section 55.11 OPTIONAL FORMS OF BENEFITS.

* * *

(E) Upon change of a retiree's beneficiary in accordance herewith, the amount of the monthly benefit payable to the retiree shall be actuarially recalculated ~~>>on a prospective basis<<~~ to take into account the age and sex of the former beneficiary, of the new beneficiary and of the retiree. Any such retiree shall pay the actuarial recalculation expenses ~~and shall make repayment of any overage of previously paid pension benefits as a result of said recalculation.~~ In the event that no designated beneficiary survives the retiree, such benefits as may be payable in the event of the death of the retiree shall be paid as provided in § 55.12.

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SECTION 2. The City of Palm Bay Code of Ordinances, Title V, Legislative, Chapter 55, Police and Firefighters Retirement Pension Plan, Section 55.17, Minimum Distribution of Benefits, is hereby amended and shall henceforth read as follows:

"Section 55.17. MINIMUM DISTRIBUTION OF BENEFITS.

* * *

(B) *Time and manner of distribution.*

(1) *Required beginning date.* The member's entire interest will be distributed, or begin to be distributed, to the member no later than the member's required beginning date which shall not be later than April 1 of the calendar year following the later of the calendar year in which the member attains age 72 ~~>>73<<~~, provided the member had not attained age 70½ ~~>>72<<~~ by December 31, 2019 ~~>>2022<<~~; or the calendar year in which the member retires unless otherwise provided for in the Plan ~~or required by law.~~ ~~>>~~The Plan will make all future required minimum distributions in compliance with the prevailing age restrictions and additional parameters set out in the Internal Revenue Code as amended from time to time.<<

(2) *Death of member before distributions begin.* If the member dies before distributions begin, the member's entire interest will be distributed, or begin to be distributed no later than as follows:

(a) If the member's surviving spouse is the member's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the member died, or by December 31 of the calendar year in which the member would have attained age ~~72~~ >>73<<, provided the member had not attained age ~~70½~~ >>72<< by December 31, ~~2019~~ >>2022<<, if later, as the surviving spouse elects. >>The Plan will make all future required minimum distributions in compliance with the prevailing age restrictions and additional parameters set out in the Internal Revenue Code as amended from time to time.<<

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(D) *Requirements for annuity distributions that commence during a member's lifetime.*

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(2) *Period certain annuities.* Unless the member's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the member's lifetime may not exceed the applicable distribution period for the member under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the member reaches age ~~seventy-two (72)~~ >>seventy-three (73)<<, provided the participant had not attained age ~~seventy and one-half (70 ½)~~ >>seventy-two (72)<< by December 31, ~~2019~~ >>2022<<, the applicable distribution period for the member is the distribution period for age ~~seventy-two (72)~~ >>seventy-three (73)<< under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of ~~seventy-two (72)~~ >>seventy-three (73)<< over the age of the member as of the member's birthday in the year that contains the annuity starting date. If the member's spouse is the member's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the member's applicable distribution period, as determined under this subsection (D)(2), or the joint life and last survivor expectancy of the member and the member's spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the member's and spouse's attained ages as of the member's and spouse's birthdays in the calendar year that contains the annuity starting date.

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SECTION 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed and all ordinances or parts of ordinances not in conflict herewith are hereby continued in full force and effect.

SECTION 4. It is the intention of the City Council of the City of Palm Bay that the provisions of this Ordinance shall be made a part of the City of Palm Bay Code of Ordinances and the sections may be renumbered to accomplish such intention.

SECTION 5. If any portion, clause, phrase, sentence or classification of this ordinance is held or declared to be either unconstitutional, invalid, inapplicable, inoperative or void, then such declaration shall not be construed to affect other portions of the ordinance; it is hereby declared to be the express opinion of the City Council of the City of Palm Bay that any such unconstitutional, invalid, inapplicable, inoperative or void portion or portions of this ordinance did not induce its passage, and that without the inclusion of any such portion or portions of this ordinance, the City Council would have enacted the valid constitutional portions thereof.

SECTION 6. The provisions within this ordinance shall take effect immediately upon the enactment date.

Read in title only at Meeting 2023-16, held on July 6, 2023; and read in title only and duly enacted at Meeting 2023-17, held on July 20, 2023.



Terese M. Jones, CITY CLERK

Reviewed by CAO: PDS

A handwritten signature in blue ink, which appears to read 'Rob Medina', is written over a horizontal line. The signature is stylized and cursive.

Rob Medina, MAYOR

City of Palm Bay, Florida

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Strikethrough words shall be deleted; highlighted words that will included will be placed in between two arrow symbols (>> <<). Deletions and additions constitute the proposed amendment. Words remaining are now in effect and remain unchanged.