

ORDINANCE 2016-15

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF LAKE WALES, FLORIDA, AMENDING CHAPTER 16, ARTICLE IV OF THE LAKES WALES CODE, PROVIDING FOR THE CREATION OF A SUPPLEMENTAL RETIREMENT BENEFIT FOR THE POLICE OFFICERS' PENSION PLAN AND TRUST FUND; PROVIDING RULES FOR ADMINISTERING THE SUPPLEMENTAL RETIREMENT BENEFIT, INCLUDING CONTRIBUTIONS, EARNINGS, VESTING, AND DISTRIBUTIONS; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

SECTION 1: Section 16-256 of the City of Lake Wales Code is hereby created and shall state as follows:

Sec. 16-256. Defined Contribution Component Supplemental Retirement Benefit.

- (a) There is hereby provided, in addition to all other benefits provided in this Article, a defined contribution component supplemental retirement benefit. The defined contribution component supplemental retirement benefit shall consist of an individual share account for each Member of the Plan, including DROP participants. The supplemental retirement benefit shall be funded solely by premium tax revenues in excess of the 2013 frozen amount received by the city pursuant to F.S. Ch. 185, as provided for by the City of Lake Wales Code of Ordinances. Effective October 1, 2016, fifty percent (50%) of the premium tax revenues received by the City in excess of the 2013 frozen amount shall be allocated to Members' share accounts as provided for herein with the remaining fifty percent (50%) of the premium tax revenue received by the City to be used at the discretion of the City toward current year benefits (either defined benefit or defined contribution), as an immediate reduction of unfunded actuarial liability (UAL) balance, or reserved as a prepaid sponsor contribution toward future required funding. Member share accounts shall be credited with premium tax revenues and investment earnings and losses and account distributions as outlined herein.
- (b) Annual crediting. Effective January 1, 2017, and each January 1 thereafter, the share account of each Member and DROP participant on the City's payroll as of the preceding September 30TH shall be credited as follows. Each Member and DROP participant who was employed on the preceding September 30TH shall receive one share for each complete year

and fractional part of years of Credited Service, as defined in section 16-231, determined as of the end of the Plan year ending on the same September 30TH. The total number of shares thus determined shall be divided into the total premium tax revenues received during that plan year to determine the amount to be credited to the share account of each eligible share plan participant.

- (c) Investment earnings and losses. Effective January 1, 2017, and each January 1 thereafter, the share account of each Member and DROP participant shall be credited or debited with earnings or losses based upon the amount in the share account at the beginning of the immediately preceding fiscal year at a rate equal to the Plan's actual net rate of investment return for such fiscal year. Share accounts shall be commingled in the Fund and invested as with any other Fund asset. Share accounts shall be segregated into individual member accounts on a bookkeeping basis only. Alternatively, effective upon adoption, instead of the "net investment return" as set forth above, each Member may direct a one-time irrevocable election at any time prior to separation from service that his or her Share account be invested in a money market fund as may be made available from time to time by the board. The electing member's Share account shall be credited or debited at a rate equal to the net rate of investment return realized by such money market fund.
- (d) Distribution of share accounts. A Member or DROP participant with ten or more years of credited service upon termination of employment and eligibility for receipt of pension benefits shall be eligible to receive a distribution of the balance in his or her share account, together with all earnings and losses credited or debited to the share account through the date of termination of employment. No supplemental retirement benefit shall be payable to a Member who terminates covered employment with less than ten years of Credited Service. The share account balances of such non-vested terminated Members shall be redistributed among all eligible participants' share accounts in the same manner as premium tax revenues in the following calendar year. The designated beneficiary of a Member who dies having accumulated ten or more years of Credited Service shall receive the accumulated total of the Member's share account balance. There shall be no forfeiture of a Member's share account based on the Member's death, disability, or termination of employment with ten or more years of Credited Service. Payment of share account benefits shall be by lump sum, which shall consist of the accumulated total balance of a Member's share account, or, at the Member's direction, the share account balance may be rolled over to another qualified plan in accordance with section 16-251 of this Plan. One additional payment or rollover will be made on the January 1 following termination of employment for any

supplemental retirement benefit amount credited for the Member's year of termination.

SECTION 2: All ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 3: If any clause, section or provision of this ordinance shall be declared unconstitutional or invalid for any reason or cause, the remaining portion of said ordinance shall be in full force and effect and be valid as if such invalid portion thereof had not been incorporated herein.

SECTION 4: This ordinance shall become effective upon adoption.

CERTIFIED AS TO PASSAGE this 6th day of December, 2016.

(SEAL)

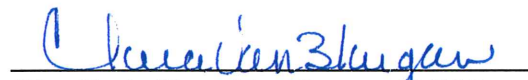


CITY COMMISSION OF THE
CITY OF LAKE WALES, FLORIDA



Mayor Eugene Fultz

ATTEST:



City Clerk Clara VanBlargan, MMC