SUNRISE, FLORIDA

ORDINANCE NO. 622

AN ORDINANCE OF THE CITY OF SUNRISE, FLORIDA, CREATING AN EXCESS BENEFIT PLAN FOR ELIGIBLE MEMBERS OF THE POLICE OFFICERS' RETIREMENT PLAN AND FIREFIGHTERS' RETIREMENT PLAN; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

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

Section 1. That an excess benefit plan is hereby created to read as follows:

Excess benefit plan.

(1)   Effective September 12, 2017, an excess benefit plan is established for eligible members of the City of Sunrise Police Officers' Retirement Plan and Firefighters' Retirement Plan, excluding management and senior management personnel who are members of the City of Sunrise General Employees' Retirement Plan.   This excess benefit plan is established as a qualified governmental excess benefits arrangement as described in Section 415(m) of the U.S. Internal Revenue Code, to provide payment of retirement income that would have been available to retired employees and their beneficiaries if the benefit provisions of the retirement plan were to apply without the limitation in Section 415(b) of the Internal Revenue Code.

(2)   Eligibility to participate in excess benefit plan: A payee of the City of Sunrise Police Officers' Retirement Plan or Firefighters' Retirement Plan, who entered the DROP between March 1, 2010 and October 17, 2017, shall be eligible to participate in the excess benefit plan whenever his or her benefit under the applicable retirement plan is reduced by application of Section 415(b) of the Internal Revenue Code; provided, any bargaining unit member who is employed on September 12, 2017 shall not be eligible to participate in the excess benefit plan until the union representing such member's bargaining unit ratifies its agreement to accept this excess benefit plan. Participation in the excess benefit plan shall continue for as long as the eligible payee's benefit under the retirement plan is reduced by application of Section 415(b) of the Internal Revenue Code.

(3) Benefits payable to eligible payees under the excess benefit plan:

1

(a) The City shall pay to each eligible payee a supplemental retirement benefit equal to the difference, determined on an annual basis, between the amount of the payee's monthly retirement benefit which would have been payable under the retirement plan if not for a reduction due to the application of Section 415(b) of the Internal Revenue Code, and the reduced monthly retirement benefit paid by the retirement plan to the payee. The excess benefit plan benefit shall be computed and payable under the same terms and conditions and to the same person as would have applied under the retirement plan without application of Section 415(b) of the Internal Revenue Code. Benefits under the excess benefit plan shall be paid only if the eligible payee has separated from City employment and is receiving benefits from a retirement plan. Benefits under the excess benefit plan shall not be payable during any period of DROP participation. The form of the benefit paid under the excess benefit plan shall be the same as otherwise selected by the payee and payable under the retirement plan.

(b) The benefits payable under the excess benefit plan may not be assigned or alienated by a payee, except as otherwise permitted for benefits payable under the retirement plan.

(4) Contributions: The excess benefit plan shall be unfunded and unsecured within the meaning of the federal tax laws. No payee contributions or deferrals, direct or indirect, by election or otherwise shall be made or allowed under the excess benefit plan.

(5) Administration: The excess benefit plan shall be administered by the City. Benefits due under the excess benefit plan as determined by the City's Director of Finance and Administrative Services shall be paid timely by the City. The City's Director of Finance and Administrative Services may make modifications to the benefits payable under the excess benefit plan as may be necessary to maintain compliance with Section 415(m) and other relevant sections of the Internal Revenue Code.

(6) Cost: The excess benefit plan will involve additional cost to the City, but the extra cost will be offset by the reduction in the expected cost of the pension plans. The actuaries for the Police Officers' Retirement Plan and Firefighters' Retirement Plan shall remove the value of projected benefits in excess of the Section 415 benefit limit from pension plan liabilities, resulting in an immediate reduction in pension plan liabilities and a reduction in City pension contributions that, over time, will approximately equal the payments from the excess benefit plan.

Section 2. Conflict. All ordinances or parts of ordinances, all City Code Sections or parts of City Code sections, and all resolutions or parts of resolutions in conflict with this ordinance are hereby repealed to the extent of such conflict.
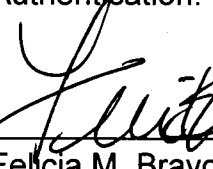
2

Section 3. Severability. Should any provision of this Ordinance be declared by a court of competent jurisdiction to be invalid, the same shall not affect the validity of the Ordinance as a whole, nor any part thereof, other than the part declared to be invalid.

Section 4. Effective Date. This Ordinance shall be effective immediately upon its passage.

PASSED AND ADOPTED upon this first reading this 22ND DAY OF AUGUST, 2017.

PASSED AND ADOPTED upon this second reading this 12TH DAY OF SEPTEMBER, 2017.

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Mayor Michael J. Ryan
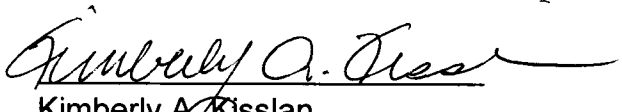
Authentication:

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Felicia M. Bravo
City Clerk

FIRST READING		SECOND READING	
MOTION:	SCUOTTO	MOTION:	SCUOTTO
SECOND:	SOFIELD	SECOND:	SOFIELD
KERCH:	ABSENT	KERCH:	YEA
DOUGLAS:	NAY	DOUGLAS:	ABSENT
SCUOTTO:	YEA	SCUOTTO:	YEA
SOFIELD:	YEA	SOFIELD:	YEA
RYAN:	YEA	RYAN:	YEA

Approved by the City Attorney
As to Form and Legal Sufficiency.

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Kimberly A. Kisslan

3

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