

ORDINANCE NO. 15-0-24

**AN ORDINANCE OF THE CITY OF TALLAHASSEE, FLORIDA,
AMENDING CHAPTER 14, ARTICLE III, SECTIONS 14-3.302 AND 14-
3.335, IN THE TALLAHASSEE CODE OF GENERAL ORDINANCES
REGARDING CITY OF TALLAHASSEE POLICE OFFICERS' PENSION
BENEFITS; PROVIDING FOR CONFLICTS, SEVERABILITY, AND AN
EFFECTIVE DATE.**

NOW, THEREFORE, BE IT ENACTED BY THE PEOPLE OF THE CITY OF
TALLAHASSEE, FLORIDA, AS FOLLOWS:

Section 1. Section 14-3.302 in the Code of General Ordinances of the City of Tallahassee, Florida, is hereby amended and shall read as follows:

Sec. 14-3.302. Eligibility for participation; contributions.

Any active participant of part A or part B of this article III or any police officer participating in the Social Security System may, at his sole option, transfer into this part C effective upon passage of this ordinance [June 13, 1990] provided that such police officer elects in writing to do so within 60 days after passage of this ordinance. All such police officers desiring to remain in their present plan, or Social Security as the case may be, shall also make an election in writing to do so within such specified period of time. All such elections shall be binding and irrevocable.

All police officers hired on or after the effective date of this ordinance [June 13, 1990] shall be required to undergo a physical examination pursuant to the requirements of F.S. § 185.34 and shall automatically become a participant of this part C.

All participants hired prior to October 1, 2012, shall contribute 5.7 percent of their compensation through September 23, 1997, 5.95 percent through June 23, 1998, 4.45 percent through October 1, 2004, 5.2 percent through September 30, 2005, 5.95 percent through September 30, 2008, 6.60 percent through September 30, 2009, 7.25 percent through September 30, 2010, 7.90 percent through September 30, 2011, 8.55 percent through September 30, 2012, 9.20 percent through September 30, 2013, 10.45 percent through September 30, 2014, and ~~9.85~~11.25 percent of their compensation thereafter. All participants hired on or after October 1, 2012, shall contribute 11.64 percent through September 30, 2013, 12.89 percent through September 30, 2014, and ~~12.29~~13.69 percent of their compensation thereafter. All such contributions shall be deducted from their compensation and paid into the plan. The contributions made by each participant to the plan shall be designated as employer contributions pursuant to Section 414(h) of the Internal Revenue Code (IRC). Such designation is contingent upon the contributions being excluded from the participants' gross income for Federal Income Tax purposes. For all other purposes of the plan, such contribution shall be considered to be participant contributions.

1 The city shall contribute such additional amounts as are necessary, together with any
2 monies received from the State of Florida pursuant to the provisions of F.S. § 185.11 and other
3 income sources as provided by law to maintain actuarial adequacy in meeting on a current and
4 annual basis, the past service and normal cost of the plan. The city shall include in its annual
5 budget sufficient funds to meet this requirement and shall disburse said funds to the plan on a
6 monthly basis, or in one payment at the beginning of the fiscal year, at the discretion of the
7 pension administrator.
8

9 All monies received from the State of Florida and earnings thereon, pursuant to the
10 provisions of F.S. § 185.11 shall be used first, and solely, to fund the retirement benefits as
11 determined by sections 14-3.115, 14-3.120, 14-3.215, 14-3.220, 14-3.315 and 14-3.325. All
12 chapter 185 funds shall be fully expended for such purpose before any other sources of funding
13 are utilized. No such monies shall be used to fund the benefits provided by section 14-3.322.
14

15 **Section 2.** Section 14-3.335 in the Code of General Ordinances of the City of
16 Tallahassee, Florida, is hereby amended and shall read as follows:
17

18 **Sec. 14-3.335. Deferred retirement option plan.**
19

20 The City of Tallahassee Police Officers' Pension Plan Deferred Retirement Option Plan,
21 is hereinafter referred to as the DROP.
22

- 23 (1) Eligibility to participate. Effective May 1, 2008, a police officer who has reached
24 normal retirement eligibility as outlined in section 14-3.313 may elect to
25 participate in the DROP.
- 26 (2) Election to participate.
- 27
- 28 a. Election to participate in the DROP is an agreement between the participant
29 and his department to retire; however, rather than the participant receiving a
30 monthly retirement benefit, his employment with the city continues while his
31 retirement benefit is transferred to his established DROP account in
32 accordance to guidelines set forth in subsection (5).
33
- 34 b. A participant's election to participate in the DROP must be made in writing in
35 a time and manner outlined in the pension administration manual. For police
36 officers who are eligible for normal retirement based on years of service,
37 election can be made not later than two years following attainment of normal
38 retirement eligibility. For police officers who have less than 25 years of
39 service and are eligible for normal retirement based on age, election can be
40 made not later than the earlier of:
41
- 42 1. Attaining the age of 60, or
43
44 2. Attaining 27 years of service.
45

1 If such participant does not make an election to participate within the
2 appropriate time limitation listed above, he will no longer be eligible to
3 participate. A participant may participate only once.
4

5 c. Should a participant be at or beyond the two years' election period on or
6 before May 1, 2008, such participant may elect to participate, however, such
7 election must be made not later than October 10, 2008 to be effective October
8 11, 2008. If such participant does not make an election to participate on or
9 before October 10, 2008, he will no longer be eligible to participate.
10

11 d. Should a participant be at or beyond his normal retirement eligibility but
12 within the two years' election period, such participant, may elect to
13 participate, however, such election must be made the latter of:
14

15 1. Not later than the date of two years following his normal retirement
16 eligibility date, or
17

18 2. October 10, 2008.
19

20 If such participant does not make an election within the timeframe listed
21 above, he will no longer be eligible to participate.
22

23 (3) Commencement of participation.
24

25 a. Participation will commence on the first day of the pay period within the
26 month as indicated on the forms completed upon election by the participant.
27

28 b. The participant will continue employment with the city; however,
29 participation in the DROP does not guarantee employment for the specified
30 period of DROP. The DROP participant shall be subject to the same
31 employment standards and policies that are applicable to employees who are
32 not DROP participants.
33

34 c. The participant will continue contributing to the city police officers' pension
35 plan as outlined in section 14-3.302.
36

37 d. Upon entering DROP participation, the participant is no longer eligible for
38 any death benefit under the city police officers' pension plan.
39

40 e. Upon entering DROP participation, the participant is no longer eligible for
41 any disability benefit under the city police officers' pension plan.
42

43 f. Participant may continue contributing to his MAP 401(k) and RSVP 457
44 account during his DROP participation.
45

- 1 g. Participant shall continue receiving 185 funds under the provisions of the
2 police officers' supplemental share plan during his DROP participation.
3
- 4 h. Health insurance and other employee benefits will continue based on
5 guidelines set forth under policies established by the city human resources
6 benefits committee.
7
- 8 (4) Period of participation. A participant who elects to participate in the DROP as
9 outlined under subsection (2), shall participate for a period not to exceed ~~36~~60
10 months as defined in the pension administration manual. An election to participate
11 shall constitute an irrevocable election to resign from permanent employment
12 with the city not later than the date provided for in the previous sentence.
13
- 14 (5) Establishment of DROP account.
15
- 16 a. A DROP account shall be established for each participant who has elected to
17 participate.
18
- 19 b. The participant's retirement benefit will be calculated according to guidelines
20 set forth in sections 14-3.314 and 14-3.315 and based on the option selected
21 by the participant prior to entering DROP according to guidelines set forth in
22 section 14-3.316. However, the participant shall be allowed to elect to have
23 his compensation include or exclude his vacation pay as outlined in subsection
24 14-3.301(12).
25
- 26 c. The participant's retirement benefit will be transferred to his DROP account
27 on the last working day of each month, beginning the month of his DROP
28 effective date.
29
- 30 d. If, during his DROP participation, a participant is eligible to receive a cost-of-
31 living adjustment according to guidelines set forth under section 14-3.317,
32 such participant's DROP benefit shall be increased each October after
33 reaching such eligibility. If participant is not eligible to receive a cost-of-
34 living adjustment during his drop participation, his cost-of-living adjustment
35 will be included in his retirement benefit after his DROP participation period
36 is over, based on guidelines set forth under section 14-3.317.
37
- 38 e. DROP participants are not eligible to receive the retiree health care
39 supplement until such participant's DROP participation period is over; after
40 which he will receive such health care supplement based on guidelines set
41 forth under section 14-3.322.
42
- 43 f. The participant's DROP account will consist of retirement benefits transferred
44 to his account each month plus any interest earnings.
45

- 1 g. The participant's DROP Account will be set up under the guidelines of a
2 guaranteed interest account only while an active DROP participant.
3
- 4 h. At the end of the participant's DROP period of participation, no further
5 retirement benefits will be deposited into his DROP account.
6
- 7 i. The participant will have no access to his DROP account funds until he has
8 terminated his permanent employment with city and his DROP period of
9 participation has ended.
10
- 11 j. If participant dies before the end of the specified DROP period of
12 participation, or before the DROP account balances are paid out in full, the
13 person(s) designated by such DROP participant shall receive such DROP
14 account balances in accordance with the participant's election of
15 beneficiary(ies) that is in effect at the time of death.
16
- 17 (6) Termination of participation.
18
- 19 a. The maximum period of participation in the DROP is ~~36-60~~ months as defined
20 in the pension administration manual. Once the maximum participation has
21 been achieved, the participant must terminate his permanent employment with
22 the city.
23
- 24 b. If a participant terminates employment prior to the end of the ~~3660~~-month
25 period, his participation ends upon termination as a permanent employee with
26 the city.
27
- 28 c. Upon termination of DROP participation, a participant will have investment
29 control of the retirement benefits deposited into his DROP account and
30 earnings thereon. Investment options will be provided under the guidance of
31 the city retirement administrator. The city holds no responsibility for any
32 losses that the terminated participant may incur should he choose to move his
33 DROP account balance from the guaranteed interest account.
34
- 35 (7) Distribution of DROP benefits. Upon conclusion of the DROP period of
36 participation, not to exceed the maximum set forth in subsection (4), the
37 participant shall terminate permanent employment under the city police officers'
38 pension plan. Upon termination of employment, the participant may receive
39 payment from his DROP account in the following manner:
40
- 41 a. Lump sum distribution;
42
- 43 b. Periodic payments according to guidelines set forth under the Internal
44 Revenue Service;
45

- 1 c. Rollover the balance to another plan as set forth under the Internal Revenue
2 Service guidelines;
3
4 d. Receive a partial withdrawal or rollover with the remainder of the funds paid
5 out as periodic payments according to guidelines set forth under the Internal
6 Revenue service;
7
8 e. An annuity according to guidelines set forth under the Internal Revenue
9 Service;
10
11 f. Receive a partial withdrawal or rollover with the remainder vested until the
12 latest date authorized by the Internal Revenue Service; or
13
14 g. Vest his DROP account and defer payment until the latest date authorized by
15 the Internal Revenue Service.
16
17 (8) Individual accounts, records and reports. The pension administrator shall maintain
18 records showing the operation and condition of the DROP, including records
19 showing the individual balances in each participant's DROP account in
20 convenient form such data as may be necessary for the valuation of the assets and
21 liabilities of the DROP. The pension administrator shall prepare and distribute to
22 participants in the DROP and other individuals or file with the appropriate
23 governmental agencies, as the case may be, all necessary descriptions, reports,
24 information returns, and data required to be distributed or filed for the DROP
25 pursuant to the Code and any other applicable laws.
26
27 (9) Limitation of liability.
28
29 a. The board shall not incur any liability individually or on behalf of any other
30 individuals for any act or failure to act, made in good faith in relation to the
31 DROP or the funds of the DROP.
32
33 b. Neither the board, nor any trustee of the board, nor the pension administrator
34 shall be responsible for any reports furnished by any expert retained or
35 employed by the board, but they shall be entitled to rely thereon as well as on
36 certificates furnished by an accountant or an actuary, and on all opinions of
37 counsel. The board shall be fully protected with respect to any action taken or
38 suffered by it in good faith in reliance upon such expert, accountant, actuary
39 or counsel, and all actions taken or suffered in such reliance shall be
40 conclusive upon any person with any interest in the DROP.
41
42 (10) General provisions. The DROP may be amended by an ordinance of the city at
43 any time and from time to time to amend in whole or in part any or all of the
44 provisions of the DROP. However, except as otherwise provided by law, no
45

1 amendment shall make it possible for any part of the DROP's funds to be used for,
2 or diverted to, purposes other than for the exclusive benefit of persons entitled to
3 benefits under the DROP.
4

5 (11) Benefits not guaranteed. All benefits payable to a participant from the DROP
6 shall be paid only from the assets of the participant's DROP account and neither
7 the city nor the board shall have any duty or liability to furnish the DROP with
8 any funds, securities or other assets except to the extent required by any
9 applicable law.
10

11 (12) Construction.
12

13 a. The DROP shall be construed, regulated and administered under the laws of
14 the state, except where other applicable law controls.
15

16 b. The titles and headings of the subsections in this section are for convenience
17 only. In the case of ambiguity or inconsistency, the text rather than the titles or
18 headings shall control.
19

20 (13) Forfeiture of retirement benefits. Nothing in this section shall be construed to
21 remove DROP participants from the application of any forfeiture provisions
22 applicable to the system. DROP participants shall be subject to forfeiture of all
23 retirement benefits, including DROP benefits.
24

25
26 **Section 3. Conflict with Other Ordinances and Codes.** All ordinances or parts of
27 ordinances of the City of Tallahassee, Florida, in conflict with the provisions of this ordinance
28 are hereby repealed to the extent of such conflict.

29 **Section 4. Severability.** If any provision or portion of this ordinance is declared by
30 any court of competent jurisdiction to be void, unconstitutional, or unenforceable, then all
31 remaining provisions and portions of this ordinance shall remain in full force and effect.

32 **Section 5. Effective date.** This ordinance shall take effect immediately upon
33 passage.
34

1 INTRODUCED by the City Commission on the 24th day of June, 2015.

2 PASSED by the City Commission on the 8th day of July, 2015.

3
4
5 CITY OF TALLAHASSEE

6
7
8
9 By: _____

10 Andrew D. Gillum
11 Mayor
12

13
14 ATTEST:

15 APPROVED AS TO FORM:

16
17
18 By: _____

19 James O. Cooke, IV
20 City Treasurer-Clerk
21

By: _____

Lewis E. Shelley
City Attorney