

Ordinance No. 970591  
0-98-03

An ordinance of the City of Gainesville, Florida, amending Division 8 of the Gainesville Code of Ordinances, the Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan; amending section 2-596 of the Code relating to the definitions; amending section 2-599(a)(1) of the Code relating to member contributions; amending section 2-600 of the Code relating to benefits; amending section 2-601 of the Code relating to optional forms of benefits; providing a severability clause; providing a repealing clause; and providing an immediate effective date.

WHEREAS, at least 10 days notice has been given once by publication in a newspaper of general circulation notifying the public of this proposed ordinance and of a Public Hearing in the City Commission Meeting Room, First Floor, City Hall in the City of Gainesville; and

WHEREAS, a Public Hearing was held pursuant to the published notice described at which hearing the parties in interest and all others had an opportunity to be and were, in fact, heard;

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

Section 1. Section 2-596, definition of *Actuarial equivalent*, of the Code of Ordinances is amended to read as follows:

Sec. 2-596. Definitions.

*Actuarial equivalent* shall mean a benefit of equivalent value to the benefit which otherwise would have been provided to the member, ~~computed in accordance with~~

1 ~~accepted actuarial principles, and based on the 1971 group annuity mortality table with~~  
2 ~~interest at seven percent, or such other table as the board of trustees may hereafter adopt.~~  
3 based on the 1994 Group Annuity Mortality Basic Table-Unisex 50/50 and an interest rate  
4 of 9.5%, unless otherwise specified in this ordinance. This table and interest rate are used  
5 exclusively for calculation of actuarial equivalencies for optional forms of benefit.

6

7 **Section 2.** Section 2-596, definition of *Earnings*, of the Code of Ordinances is amended  
8 to read as follows:

9 **Sec. 2-596. Definitions.**

10 *Earnings* shall mean only for fire department members: base pay (which shall  
11 include all paid leaves), all overtime pay (which shall include time paid at time-and-a-half,  
12 double-time, and double-time-and-a-half), working out of classification pay, longevity pay,  
13 Christmas bonus, firefighter certification pay, State of Florida city firefighters  
14 supplemental education incentive payments, and termination vacation pay; for police  
15 department members; base pay, overtime pay, longevity pay, Christmas bonus, State of  
16 Florida police officer educational salary incentive payments, and career development  
17 funds, police security ("billable" overtime), special assignment pay, special duty  
18 assignment pay, paramedic certification pay, stand-by pay, call-back pay, acting out of  
19 classification pay, and termination vacation pay, except as may be otherwise expressly  
20 provided for in Collective Bargaining Agreements. Effective October 1, 1996, earnings in  
21 excess of \$150,000 annually shall be disregarded for all purposes of this plan. As of  
22 January 1 of each calendar year, the dollar limitation as determined by the Commissioner

1 of Internal Revenue for that calendar year will become effective for the plan year  
2 commencing thereafter in lieu of the dollar limitation provided in the preceding sentence.  
3 For an employee who became a member of the plan prior to October 1, 1996, this  
4 limitation shall not be applicable.

5  
6 **Section 3.** Section 2-599(a)(1) of the Code of Ordinances is amended to read as follows:

7 **Sec. 2-599. Contributions.**

8 (a) *Member contributions.*

9  
10 (1) Members shall contribute that percentage of their gross pay necessary to  
11 fund the cost of the plan changes contained in Ordinance No. 3127. On an annual  
12 basis, beginning with the plan year ending September 30, 1988, the city's actuary  
13 will issue valuations which will, at least, value the present and future costs of the  
14 plan changes set forth in Ordinance No. 3127. Any changes in employee  
15 contributions imposed as a result of such valuations shall become effective as  
16 determined by the city. The city may unilaterally, after notice to the members and  
17 their collective bargaining representatives, increase or decrease the contributions of  
18 members to fully fund increases or decreases in the cost of the plan attributable (as  
19 described in the aforementioned actuarial valuations) to the plan changes described  
20 in Ordinance No. 3127. The city's decision regarding the amount of these required  
21 contributions shall be final and not subject to negotiation. Provided further that in  
22 any event, members shall contribute at least one (1) percent of their gross pay to  
23 the plan's trust fund. Effective January 1, 1998, the contributions made by each

1 member to the plan shall be designated as employer contributions pursuant to  
2 Section 414(h) of the Internal Revenue Code of 1986. Such designation is  
3 contingent upon the contributions being excluded from the member's gross income  
4 for Federal Income Tax purposes. For all other purposes of the plan, such  
5 contributions shall be considered to be member contributions.

6  
7 **Section 4.** Section 2-600(b) of the Code of Ordinances is hereby created to read as  
8 follows:

9 **Sec. 2-600. Retirement dates and benefits.**

10 (b) Delayed retirement.

11 (1) A member of the plan may continue in employment to a date after eligibility  
12 for normal retirement. In such event the member's delayed retirement date shall be  
13 the first day of the month coincident with or next following the date of termination  
14 of employment.

15 (2) Benefit amounts. The monthly delayed retirement benefit payable to a  
16 member shall be equal to his/her accrued benefit, except as provided in Section 2-  
17 601, as defined in Section 2-596, determined as of his/her delayed retirement date.

18 (3) Benefit payments. Delayed retirement benefits shall be payable on the first  
19 day of each month. The first payment shall be made on the member's delayed  
20 retirement date, and payment shall continue according to the terms of the accrued  
21 benefit for the member's lifetime. A member may modify the amount and  
22 conditions of payment by electing an option in accordance with Section 2-601, in

1           which event the delayed retirement benefit shall be paid in accordance with the  
2           terms of such option.

3

4   **Section 5.** Section 2-600(e) is hereby amended to read as follows:

5   (e)    *Termination of employment.* A member whose employment with the city  
6   terminates prior to the completion of at least ten (10) years of credited service, for any  
7   reason other than his/her disability shall not be entitled to any benefits under the plan,  
8   provided, however, that amounts contributed by members shall be paid without interest to  
9   the member or, as applicable, the member's beneficiary. A member whose employment  
10   with the city terminates after the completion of at least ten (10) years of credited service  
11   shall be entitled to a termination benefit, or, or, if applicable, return of contributions in  
12   accordance with section 2- 600(d)(1) and (2). Payment of the termination benefit shall be  
13   governed by the following provisions of this section:

14

15       (1)    *Benefit amount.* A member who is entitled to a termination benefit shall  
16       receive a monthly retirement equal to his/her accrued benefit, except as provided in  
17       section 2-601, determined as of his/her date of termination.

18       (2)    *Benefit commencement date.* The benefit commencement date of a member  
19       with at least ten years credited service but less than 20 years credited service shall  
20       be the first day of the month after he/she has attained age 60.

21       (3)    *Benefit payments.* The termination benefits shall be payable on the first day  
22       of each month. The first payment shall be made on the benefit commencement  
23       date, and benefits shall be payable thereafter according to the terms of the accrued

1 benefit for the member's lifetime. A member may modify the amount and  
2 conditions of payment described in this section by electing an option in accordance  
3 with the optional forms of benefit section, in which event the termination benefit  
4 shall be paid in accordance with the terms of such option.

5 (4) Benefit forfeitures. That portion of a terminated member's benefit that is  
6 not vested shall be forfeited and used only to reduce future costs of the plan,  
7 provided however that amounts contributed by such a terminated member shall be  
8 paid without interest to the member or, as applicable, the members beneficiary.

9 (45) *Reemployed members.* In the event employment of a member, entitled to a  
10 termination benefit pursuant to this section, is terminated, and he/she is  
11 subsequently reemployed by the city prior to his/her benefit commencement date,  
12 he/she shall continue to be entitled to the credited service he/she had previously  
13 earned, and shall again participate in the plan and accrue benefits after such date of  
14 reemployment, in accordance with the terms of the plan. A member whose  
15 employment with the city terminated prior to his/her entitlement to any termination  
16 benefits and who has had the amount, if any, he/she contributed to this plan repaid  
17 without interest, shall no longer be a member of the plan and shall not be entitled  
18 to receive any benefits under the plan. If such member is subsequently reemployed  
19 by the city, he/she may recoup his/her previous credited service to which he/she  
20 was previously entitled, under the following circumstances:

21 a. If his/her period of absence is less than his/her period of credited service, as  
22 provided in section 2-596, and if he/she, within 30 days from the date of

1 his/her successful completion of his/her probationary period after  
2 reemployment, repays the amount of contributions paid out, plus interest at  
3 the plan's assumed rate as stated in the most recent actuarial valuation  
4 report filed with the State of Florida, pursuant to F.S. § 112.63(2), for each  
5 year and portion thereof of his/her absence and the period of time after  
6 reemployment until the date of refund; or

- 7 b. If the member was not entitled to a termination benefit, and he/she remains  
8 in the continuous employ of the city for at least ten years subsequent to  
9 his/her reemployment, and he/she has refunded withdrawn contributions as  
10 provided above. Continuous employ shall not be deemed interrupted  
11 because of absence, when the absence shall have been granted in  
12 accordance with appropriate contract provisions or applicable personnel  
13 policies as approved by the city commission. Approved absences shall  
14 count as credited service under the plan, in accordance with the terms of  
15 the plan.

16 **Section 6.** Section 2-600(f) is hereby amended to read as follows:

17 (f) ~~Limitation of benefits. Benefits payable to any member~~ Members receiving  
18 benefits from sources funded in whole or in part by City contributions, such as Workers'  
19 Compensation indemnity benefits, Social Security benefits, and retirement benefits from  
20 the Consolidated Pension Plan, which when totaled exceed 100 percent of the member's  
21 average weekly wage used for the purpose of computing Workers' Compensation  
22 benefits, shall have their Workers' Compensation indemnity benefits and, if necessary, plan

1 benefits reduced, so as to provide for a combined total of benefits not exceeding 100  
2 percent of the member's average weekly wage. ~~when added to the member's primary~~  
3 ~~social security benefit and any periodic or lump sum payments made to such employee~~  
4 ~~under the Workers' Compensation law shall not exceed 80 percent of such member's~~  
5 ~~earnings in the year before retirement or disablement, or his/her net pay for that period,~~  
6 ~~whichever is lower. Provided, however, in regard to disability benefits, Workers'~~  
7 ~~Compensation payments shall not be considered for the purposes of this subsection (f) if~~  
8 ~~the board of trustees determines that the disability is not, directly or indirectly, related to~~  
9 ~~the injury for which such payments were made. Any lump sum Workers' Compensation~~  
10 ~~payment shall be converted to the monthly equivalent of the weekly rate upon which the~~  
11 ~~lump sum benefit was based and paid until such time as the lump sum would be exhausted~~  
12 ~~at the monthly equivalent rate. added (if applicable) for the number of weeks such benefits~~  
13 ~~would have applied. Such limitations is applied only at dates of retirement are based upon~~  
14 ~~the initial amount of retirement benefits and Social Security benefits, and is are not~~  
15 ~~affected by subsequent increases in Workers' Compensation supplemental benefits, Social~~  
16 ~~Security or plan benefits. In applying offsets necessary to limit combined benefits to 100~~  
17 ~~percent, Workers' Compensation benefits shall be reduced first, pursuant to Section~~  
18 ~~440.15(10), F.S. (1995), and this section, then, if necessary, retirement plan benefits shall~~  
19 ~~be reduced. The above-described limitations on plan benefits shall not, however, operate~~  
20 ~~to lower the retiree's monthly benefit below two (2) percent for each year of credited~~  
21 ~~service multiplied by final average earnings.~~

22 **Section 7.** Sections 2-600(h), (i) and (j) are hereby created to read as follows:



1 (h) Maximum benefit limitation.

2 (1) The maximum annual benefit payable under the plan shall be limited to  
3 \$90,000, subject to adjustment for increases in the cost of living in accordance  
4 with the following sentence. As of the first day of January of each calendar year,  
5 the maximum dollar limitation shall be adjusted automatically to an amount  
6 determined by the commissioner of the Internal Revenue Service effective for that  
7 calendar year and shall apply only to that calendar year.

8 Retirees in payment status whose benefits were limited in any year by the  
9 application of this limitation shall have their benefits adjusted automatically in  
10 subsequent years to take into account the then current dollar limit.

11 (2) In the event a member has earned a benefit which during a previous  
12 limitation year has met all the requirements of Section 415 of the Internal Revenue  
13 Code (IRC), and if the member's accrued benefit exceeds the limitation of IRC 415  
14 for the current limitation year, the member's maximum annual benefit, as described  
15 in subsection (1) of this section, shall not be less than the accrued benefit allowable  
16 under such previous limitation year.

17 (3) If the retirement benefit is payable in a form other than a straight-life  
18 annuity or a joint-and-survivor annuity with the spouse as joint annuitant, the  
19 annual benefit limitation in any year shall be the actuarial equivalent (as defined in  
20 subsection (6) of this section) of the maximum annual benefit for that year (payable  
21 in the form of a straight-life annuity), as described above.

22 (4) In the event payment of a retirement benefit under the plan to a member

1 commences prior to the date the member attains age 62, the maximum annual  
2 benefit limitation shall be adjusted to be not more than the actuarial equivalent (as  
3 defined in subsection (6) of this section) of the then current dollar limit assumed to  
4 commence at age 62 for the purpose of applying the benefit limit described in  
5 subsection (1) of this section.

6 For years subsequent to the payment commencement year, benefits payable shall  
7 be limited to the actuarial equivalent (as defined in subsection (6) of this section),  
8 determined as of the benefit commencement date, of the subsequent year's dollar  
9 limit assumed to commence at age 62 (or the then current age if greater).

10 Adjustments described in this subsection (4) shall not reduce the maximum  
11 annual benefit below \$75,000, if the retirement benefit commences on or after  
12 attainment of age 55, or if the benefit commences before age 55, the actuarial  
13 equivalent of the \$75,000 limitation for age 55.

14 For a "qualified participant", as defined in Internal Revenue Code Section  
15 415(b)(2)(H), this subsection (4) shall not apply.

16 (5) In the event payment of a retirement benefit under the plan to a member  
17 commences after the date the member attains age 65, the maximum benefit  
18 limitation shall be adjusted to be not more than the actuarial equivalent (as defined  
19 in subsection (6) of this section) of the then current dollar limit commencing at age  
20 65 for the purpose of applying the benefit limit described in subsection (1) of this  
21 section.

22 For years subsequent to the payment commencement year, benefits payable

1 shall be limited to the actuarial equivalent determined as of the benefit  
2 commencement date, of the subsequent year's dollar limit assumed to commence  
3 at age 65.

4 (6) For the purpose of adjusting benefits in accordance with this section,  
5 actuarial equivalent shall be determined using the 1983 Group Annuity Mortality  
6 Table (50/50 Unisex) and an interest rate of 5% for adjustments under subsection  
7 (3), (4) and (5) of this section. For adjustment under subsections (3), (4) and (5),  
8 no cost-of-living adjustment shall be taken into account before the year for which  
9 such adjustment first takes effect.

10 (7) If a retirement benefit is payable to a member who has less than 10 years of  
11 plan participation, the limitation described in subsection (1) of this section shall be  
12 multiplied by a fraction, the numerator of which is the member's years of plan  
13 participation and the denominator of which is 10.

14 (8) If the City maintains a tax-qualified, defined contribution plan covering the  
15 same member, the total of such member's "Defined Contribution Fraction" and his  
16 "Defined Benefit Fraction" (both as defined in Internal Revenue Code Section 415)  
17 at the end of any limitation year shall not exceed 1.0. If a reduction in a member's  
18 benefits is required so that the sum of the two fractions described above will not  
19 exceed 1.0, the numerator of the "Defined Benefit Fraction" shall be adjusted  
20 downward sufficiently to insure that the two-plan limitation described above is not  
21 exceeded. This limitation shall not be applicable for years beginning on and after  
22 January 1, 2000.

1           (1)   Distribution rules. Notwithstanding any other provision of this plan to the  
2                                   contrary, a form of retirement income payable from this plan after  
3                                   November 24, 1997, shall satisfy the following conditions:

4           (1)   If any retirement income is payable before the member's death:

5                   a.       It shall either be distributed or commence to the member  
6                                   not later than April 1 of the calendar year following the later of the  
7                                   calendar year in which the member attains age seventy and one-half  
8                                   (70-1/2) years or the calendar year in which he retires.

9                   b.       The distribution shall commence not later than the calendar  
10                                  year defined in paragraph a, above and (1) shall be paid over the life  
11                                  of the member or over the lifetime of the member and his spouse,  
12                                  issue or dependent, or (2) shall be paid over the period extending  
13                                  not beyond the life expectancy of the member and his spouse, issue  
14                                  or dependent.

15           Where a form of retirement income payment has commenced in accordance  
16                                  with the preceding paragraphs and the member dies before his entire  
17                                  interest in the plan has been distributed, the remaining portion of such  
18                                  interest in the plan shall be distributed no less rapidly than under the form  
19                                  of distribution in effect at the time of the member's death.

20           (2)   If the member's death occurs before the distribution of his interest  
21                                  in the plan has commenced, his entire interest in the plan shall be  
22                                  distributed within five (5) years of his death, unless it is to be distributed in

1 accordance with the following rules:

2 a. The member's remaining interest in the plan is payable to his  
3 spouse, issue or dependent;

4 b. The remaining interest is to be distributed over the life of the  
5 spouse, issue or dependent or over a period not extending beyond the life  
6 expectancy of the spouse, issue or dependent; and

7 c. Such distribution begins within one year of the member's death  
8 unless the member's spouse, issue or dependent shall receive the remaining  
9 interest in which case the distribution need not begin before the date on  
10 which the member would have attained age seventy and one-half (70-1/2)  
11 years, and if the spouse, issue or dependent dies before the distribution to  
12 the spouse, issue, or dependent begins, this section shall be applied as if the  
13 spouse, issue or dependent were the plan member.

14 (j) Direct transfers of eligible rollover distributions.

15 (1) General. Notwithstanding any provision of the plan to the contrary that  
16 would otherwise limit a distributee's election under this section, a distributee may  
17 elect, at the time and in the manner prescribed by the board, to have any portion of  
18 an eligible rollover paid directly to an eligible retirement plan specified by the  
19 distributee in a direct rollover.

20 (2) Definitions.

21 a. Eligible rollover distribution. An eligible rollover distribution is any  
22 distribution of all or any portion of the balance to the credit of the

1 distributee, except that an eligible rollover distribution does not include:  
2 any distribution that is one of a series of substantially equal periodic  
3 payments (not less frequently than annually) made for life (or life  
4 expectancy) of the distributee, or the joint lives (or joint life expectancies)  
5 of the distributee and the distributee's designated beneficiary, or for a  
6 specified period of ten (10) years or more; any distribution to the extent  
7 such distribution is required under section 401(a)(9) of the Internal  
8 Revenue Code; and the portion of any distribution that is not includable in  
9 gross income, i.e., member contributions made prior to 1998.

10 b. Eligible retirement plan. An eligible retirement plan is an individual  
11 retirement account described in section 408(a) of the Internal Revenue  
12 Code, an individual retirement annuity described in section 408(b) of the  
13 Internal Revenue Code, an annuity plan described in section 403(a) of the  
14 Internal Revenue Code, or a qualified trust described in section 401(a) of  
15 the Internal Revenue code, that accepts the distributee's eligible rollover  
16 distribution. However, in the case of an eligible rollover distribution of the  
17 surviving spouse, an eligible retirement plan is an individual retirement  
18 account or individual retirement annuity.

19 c. Distributee. A distributee includes an employee or a former  
20 employee, or a beneficiary as described in Section 2-600(d) and (h),  
21 receiving amounts contributed by the member (before 1/1/98) in excess of  
22 retirement benefits, if any, paid.

1           d. Direct rollover. A direct rollover is a payment by the plan to the  
2           eligible retirement plan specified by the distributee.

3  
4   **Section 8.** Section 2-601 is hereby amended to read as follows:

5   **Sec. 2-601. Optional forms of benefit.**

6           Upon a member becoming eligible to receive an annuity he/she may elect to receive  
7   annuity benefits payable under the plan in the form of a joint survivor annuity instead of a  
8   normal annuity form, which shall be the actuarial equivalent of the annuity he/she would  
9   receive under the normal form. If any member who has a spouse at his/her commencement  
10   date, fails to make such an election, it will be assumed that he/she elected Option A below  
11   with his/her spouse as the beneficiary; and if the member does not have a spouse at his/her  
12   benefit commencement date, that the member elected the normal form.

13           Option A--*Joint Annuity Option.* A reduced monthly retirement benefit which shall  
14   be payable during the joint lifetime of the member and his/her beneficiary, with two-thirds  
15   of such reduced annuity amount continuing after the death of the member during the  
16   lifetime of the beneficiary. If the beneficiary predeceases the member, 100 percent of the  
17   reduced benefit will continue to be received by the member.

18           Option B--*Joint and Last Survivor Annuity Option.* A reduced monthly retirement  
19   benefit which shall be payable during the joint lifetime of the member and his/her  
20   beneficiary, with two-thirds of such reduced benefit amount continuing automatically after  
21   the death of either member or beneficiary, payable for the lifetime of the survivor.

22           The election of either joint survivor option (for an unmarried member ), or the

1 election of Option B or the normal form (by a married member) must be requested by the  
2 member at least three months prior to the date of benefit commencement. Such election, if  
3 made, may not be changed by the member within three months prior to the date of benefit  
4 commencement. The election of a joint survivor option shall be deemed automatically  
5 canceled at the death of the proposed beneficiary prior to the member's benefit  
6 commencement date. Provided, however, anything otherwise contained in this or any  
7 other section of the Pension Ordinance to the contrary notwithstanding, a retired  
8 pensioner may change his/her option after benefit commencement either from a retirement  
9 annuity option or to a retirement annuity option in the event of: (1) divorce or legal  
10 separation, when the same has been considered and approved by the court granting same  
11 as a part of the settlement; or (2) the marriage of an unmarried employee who becomes  
12 married after the date of benefit commencement. Such change shall be effective not sooner  
13 than three months after the filing of a written election to effect such change with the  
14 personnel department. The benefits paid under such changed annuity shall be the actuarial  
15 equivalent to the remaining value of the former annuity determined as of the date of the  
16 benefit change.

17 ~~No option may be elected or approved unless the distribution is for a term not~~  
18 ~~exceeding the life (lives) of the member, or the member and his/her spouse, if applicable,~~  
19 ~~measured as of the benefit commencement date, or if the beneficiary is not the member's~~  
20 ~~spouse over the life expectancy of the member, or the life expectancies of the member and~~  
21 ~~his/her spouse, if applicable.~~

22



1 **Section 9.** If any section, sentence, clause or phrase of this ordinance is held to be invalid  
2 or unconstitutional by any court of competent jurisdiction, then said holding shall in no  
3 way affect the validity of the remaining portions of this ordinance.

4  
5 **Section 10.** All ordinances, or parts of ordinances, in conflict herewith are to the extent  
6 of such conflict hereby repealed.

7  
8 **Section 11.** This ordinance shall become effective immediately upon final adoption.

9

10 **PASSED AND ADOPTED** this 24th day of November, 1997.

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MAYOR-COMMISSIONER

17

ATTEST:

Approved as to form and legality

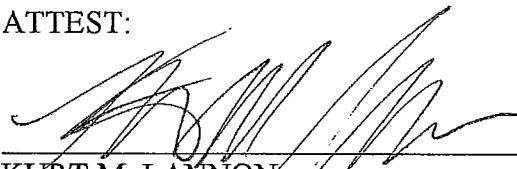
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KURT M. LANNON  
CLERK OF THE COMMISSION

  
\_\_\_\_\_  
MARION J. RADSON  
CITY ATTORNEY

NOV 25 1997

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25 This Ordinance passed on first reading this 10th day of November, 1997.

26 This Ordinance passed on second reading this 24th day of November, 1997.

27

**CITY OF GAINESVILLE  
CONSOLIDATED POLICE OFFICERS'  
AND FIREFIGHTERS' RETIREMENT PLAN**

**Statement of Actuarial Impact**

**Ordinance Amendments**

The Board of Trustees is considering modifications to the Ordinance pertaining to the City of Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan. The Ordinance would contain the following changes in Plan provisions that differ from those that serve as a basis of the latest actuarial review of the Plan. The Statement of Actuarial Impact measures the impact on the contribution requirements of the Plan of making the proposed changes as described below:

An ordinance of the City of Gainesville, Florida, amending Division 8 of the Gainesville Code of Ordinances, the Gainesville Consolidated Police Officers' and Firefighters' Retirement Plan; amending section 2-596 of the Code relating to the definitions; amending section 2-599(a)(1) of the Code relating to member contributions; amending section 2-600 of the Code relating to benefits; amending section 2-606 of the Code relating to limitations on assignment; providing a severability clause; providing a repealing clause; and providing an immediate effective date.

The purpose of these changes is two-fold: first, to update the "qualified" status of the plan through compliance with current Internal Revenue Code ("IRC") as well as ADEA compliance; the second is to update and clarify certain other provisions of the plan. Changes include:

- Actuarial Equivalent - Mortality table was updated for use in calculating optional forms of benefit;
- Earnings - Exclusions were clarified and an IRC earnings limit was added;
- Member Contributions - recharacterized as employer contributions per IRC Section 414(h);
- Delayed Retirement provisions have been specified (previously implicit);
- Limitations on benefits have been clarified and modified with regard to what benefit offsets apply; in addition, the limitation has been increased to 100% from 80%;
- Maximum benefit provisions have been added according to IRC Section 415;
- Distribution commencement rules have been added; and

- Direct transfer of eligible rollover provisions have been added.

The impact of implementing the changes outlined above, based on the latest actuarial review of the Plan (October 1, 1996), in our opinion, is not significant. Most technical changes have no effect or would serve to slightly reduce ultimate Plan costs; the cost to change actuarial equivalency is de minimis and benefit limits have been valued in a way that already takes the change into account.

This Statement of Actuarial Impact has been prepared pursuant to Chapter 112, Section 112.63(3) of Florida Statutes and, in our opinion, the proposed change is in compliance with Part VII, Chapter 112, Florida Statutes, and Section 14, Article X, of the State Constitution.

Date: Oct 22, 1997

By: Michael Tierney  
Michael J. Tierney  
ASA, MAAA, FCA, EA #93-1337

The proposed change, as described above, was provided to the plan actuary and, to the best of our knowledge and belief, is in compliance with Part VII, Chapter 112, Florida Statutes, and Section 14, Article X, of the State Constitution.

Date: \_\_\_\_\_

By: \_\_\_\_\_  
City of Gainesville  
Consolidated Police Officers'  
and Firefighters' Retirement Plan