



Legislation Text

File #: 980761, Version: 2

Ordinance No. 0-99-31

An ordinance of the City of Gainesville, Florida, relating to the General Employees Pension Plan, amending Section 2-523(c)(2) of the Code of Ordinances relating to members of the plan; creating Section 2-523(i) of the Code of Ordinances providing for limited participant re-entry or transfer of vested accrued benefit; amending Section 2-526(a)(3) of the Code of Ordinances to provide an optional form of benefit; providing a severability clause; providing a repealing clause; and providing an immediate effective date.

The City Commission adopt the proposed ordinance.

Late last year, the City Commission authorized the preparation and advertisement of the attached ordinance. The City Manager's communication to employees distributed in the last City Highlights (copy attached) discusses the salient points of the proposed ordinance. An actuarial impact statement concerning the effect of the proposed ordinance on the pension plan will be presented by management prior to adoption on second reading.

A section by section analysis of the ordinance follows.

Section 1 conforms plan language to current practice regarding allowing high level employees the option of entering the General Employees Pension Plan or selecting participation in the Defined Contribution Plan.

Section 2 of the ordinance allows limited participants, who are not currently eligible members of the General Employees Pension Plan, the opportunity to re-enter the plan as eligible members or to transfer the value of their vested accrued benefit to the 401 Defined Contribution Plan. A limited participant who elects to re-enter the General Employees Pension Plan will also have the option of "purchasing" all of their years of service as an ineligible member upon the payment of the projected actuarial present value of the benefits associated with such additional years of service.

Section 3 allows an employee who terminates with a vested benefit to receive a lump sum cash equivalent of that benefit upon termination, if the benefit has an actuarial present value of less than \$5,000, rather than having to wait until attaining age 65 to apply for a termination benefit.