



Legislation Text

File #: 060829., **Version:** 1

GENERAL EMPLOYEES PENSION PLAN - MILITARY BUY-BACK (B)

Ordinance No. 0-06-30

An ordinance of the City of Gainesville, Florida, related to prior military service; creating subsection (k) of Section 2-523, to allow purchase of credited service attributable to military service prior to employment; providing directions to the codifier; providing a severability clause; providing a repealing clause; and providing an immediate effective date.

The City Commission adopt the proposed ordinance.

The City Commission at its meeting on January 8, 2007, authorized the City Attorney to draft and the Clerk of the Commission to advertise the "military buy-back" changes embodied in this ordinance. These changes have been ratified by the CWA and agreed to by the ATU bargaining representative. Basically, the changes will allow members to, under certain conditions, "purchase" credited service in the General Employees Pension Plan based upon service in the military prior to initial employment with the City. Many public sector retirement systems have similar provisions.

The salient features of this amendment are as follows: The members are required to pay the full actuarially established cost of adding additional credited service to the years of service that will be used to calculate the members' pension benefit from the General Pension Plan. These funds can come from various sources. There are administrative provisions describing how and when purchase of service can be made, that the maximum amount of service that can be purchased is 4 years, and that purchases can only be made by individuals who are already vested, purchased service can only be actually applied (added) to earned credited service after the member is otherwise eligible for normal retirement or has reached age of 55, except members who were almost eligible for retirement at the time of their death. In this latter case, special arrangements may be made to purchase up to 4 years of military service, if such would result in the member's beneficiary being eligible for a pension benefit. Should the member have purchased service prior to such time and separated from employment prior to becoming eligible for normal retirement or reaching age 55, the monies paid are returned without interest and no "military service" is provided.

Members may not obtain a benefit based upon purchased military service if the same such service is utilized in calculating another governmental retirement benefit, except a military retirement based in part on service in the reserves.

This ordinance requires two public hearings. If the ordinance passes on first reading, second and final reading will be held on February 12, 2007.