

ORDINANCE NO. 2020-2166

AN ORDINANCE OF THE CITY OF LAKE CITY, FLORIDA; AMENDING CITY CODE CHAPTER 70, ARTICLE V, FIREFIGHTERS' RETIREMENT, AMENDING SECTION 70-130, COMPLIANCE WITH THE INTERNAL REVENUE CODE; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, changes to the Internal Revenue Code may happen quickly and frequently. There is a benefit in authorizing the Board to make appropriate changes to the Plan in order to maintain the Plan's tax qualified status;

WHEREAS, effective January 1, 2020, the Internal Revenue Code was amended by increasing the required minimum distribution age from 70½ to 72;

WHEREAS, the Board of Trustees of the City of Lake City Municipal Firefighters' Pension Trust Fund has prepared this ordinance to implement the changes to the Internal Revenue Code.

NOW, THEREFORE, BE IT ENACT[ED] BY THE CITY COUNCIL OF THE CITY OF LAKE CITY, FLORIDA, THAT:

Section 1: The above recitals are true and accurate and are adopted and incorporated herein.

Section 2: Section 70-130(a), (c) and (d)(2) of the City Code are hereby amended to read as follows (words ~~stricken~~ are deletions; words underlined are additions):

Sec. 70-130. Compliance with the Internal Revenue Code.

(a) It is the intention of the city and of the board that the plan remain at all times a qualified plan, as that term is defined under the internal revenue code as well as the corresponding Treasury Regulations applicable to a governmental defined benefit retirement plan.

(1) In recognition of the changing requirements of Plan qualification, the board shall adopt an administrative policy setting forth the required provisions for tax qualification. Such a policy shall be amended by the board as required to maintain continuing compliance with the internal revenue code and that policy and any amendments shall have the

force of law as if adopted by the city council.

- (c) In no event may a member's retirement benefit be delayed beyond the later of April 1 following the calendar year in which the member attains age (72) (70½), provided the member had not attained age (70½) by December 31, 2019, or April 1 of the year following the calendar year in which the member retires.

When a distribution of the participant's entire interest is not made in a lump sum, the distribution will be made in or more of the following ways: over the life of the participant; over the life of the participant and designated beneficiary; over a period certain not extending beyond the life expectancy of the participant; or over a period certain not extending beyond the joint life and last survivor expectancy of the participant and a designated beneficiary.

- (d) If the distribution has commenced before the participant's death, the remaining interest will be distributed at least as rapidly as under the method of distribution being used as of the date of the participant's death.

The method of distribution, if the participant dies before distribution is commenced, must satisfy the following requirements:

- (1) Any remaining portion of the participant's interest that is not payable to a beneficiary designated by the participant will be distributed within five years after the participant's death;
- (2) Any portion of the participant's interest that is payable to a beneficiary designated by the participant will be distributed either: (i) within five years after the participant's death; or (ii) over the life of the beneficiary, or over a period certain not extending beyond the life expectancy of the beneficiary, commencing not later than the end of the calendar year following the calendar year in which the participant died (or, if a designated beneficiary is the participant's surviving spouse, commencing not later than the end of the calendar year following the calendar year in which the participant would have attained age 72 70½).

Section 3: It is the intention of the City Council, and it is hereby ordained that the provisions of this Ordinance shall become and be made a part of the Code of Ordinances of the City of Lake City, that the sections of the Ordinance may be renumbered or relettered to accomplish such intentions; and that the word “Ordinance” shall be changed to “Section” or other appropriate word.

Section 4: If any clause, section, or other part or application of this Ordinance shall be held in any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part or application shall be considered as eliminated and shall not affect the validity of the remaining portions or applications which shall remain in full force and effect.

Section 5: All ordinances or parts of ordinances, resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 6: This Ordinance shall become effective immediately upon adoption, unless otherwise provided.

[Remainder of this page intentionally left blank.]

PASSED AND ADOPTED upon first reading this 14th day of September 2020.

NOTICE PUBLISHED on the 9th day of October 2020.

PASSED AND ADOPTED upon second reading this _____ day of _____ 2020.

CITY OF LAKE CITY, FLORIDA

By: _____
Stephen M. Witt, Mayor

ATTEST:

APPROVED AS TO FORM AND
LEGALITY:

By: _____
Audrey E. Sikes, City Clerk

By: _____
Frederick L. Koberlein, Jr.,
City Attorney

July 30, 2020

Ms. Donna Duncan
Finance Director
City of Lake City
205 N. Marion Avenue
Lake City, FL 32055

Dear Donna:

**CITY OF LAKE CITY MUNICIPAL FIREFIGHTERS' PENSION TRUST FUND
AMENDING ORDINANCE FOR COMPLIANCE WITH IRS CODE - NO IMPACT**


The City of Lake City is considering amending Ordinance Section 70-130 of the above referenced Pension Fund to increase the required minimum distribution age from 70½ to 72, as well as incorporating changes in Treasury regulation under the Internal Revenue Code.

In our opinion, this change has no actuarial impact on the Plan since there would be no change to any benefit provisions of the Plan.

After you have had a chance to review this information, please let us know if you have any questions.

Very truly yours,

ACTUARIAL CONCEPTS



By: _____

Michael J. Tierney
ASA, MAAA, FCA, EA #17-1337

cc: Ms. Bonni Jensen
Klausner, Kaufman, Jensen & Levinson

Ordinance Number: 2020-2166
Passed on first reading on September 14, 2020

Record of Vote on First Reading

	For	Against	Absent	Abstain
Stephen Witt, Mayor/Council Member	<u>✓</u>	_____	_____	_____
Chris Greene, Council Member	<u>✓</u>	_____	_____	_____
Jake Hill, Jr., Council Member	<u>✓</u>	_____	_____	_____
Eugene Jefferson, Council Member	<u>✓</u>	_____	_____	_____
Melinda Moses, Council Member	<u>✓</u>	_____	_____	_____

Certification

I, Audrey Sikes, City Clerk for the City of Lake City, Florida, hereby certify that the above record vote is an accurate and correct record of the votes taken on the Ordinance by the City Council of the City of Lake City.



AUDREY E. SIKES, MMC
City Clerk