

**CITY COUNCIL ORDINANCE NO. 2020-2170**

**AN ORDINANCE OF THE CITY OF LAKE CITY, FLORIDA AMENDING THE INTERNAL REVENUE CODE CHAPTER 70, ARTICLE IV, POLICE OFFICERS RETIREMENT FUND, SECTION 70-100, RELATED TO COMPLIANCE WITH THE INTERNAL REVENUE CODE; PROVIDING FOR CODIFICATION IN THE 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; and

**WHEREAS**, the City Councils that there is a benefit in authorizing the Board of Trustees of the City of Lake City Municipal Police Officers Retirement Fund (hereinafter the "Board") to make appropriate changes to the Police Officers Retirement Fund Plan (hereinafter the "Plan") in order to maintain the Plan's tax qualified status; and

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

**WHEREAS**, the Board has proposed this ordinance to implement the changes to the Internal Revenue Code for consideration by the City Council; and

**WHEREAS**, the City Council finds the adoption of the recommendation of the Board to be in the best interest of the City.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAKE CITY, FLORIDA, THAT:**

**Section 1.** The above recitals are all true and accurate and are incorporated herein and made a part of this resolution.

**Section 2.** Section 70-100(a), (c), and (d)(2) of the City Code are hereby amended to read as follows (additions are underlined and deletions are ~~stricken~~):

Sec. 70-100. 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 governmental defined retirement benefit plans.

- (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.

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

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- (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 ~~70~~<sup>1/2</sup>.

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**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.

*[Remainder of this page left blank intentionally.]*

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

**PASSED** upon first reading on the \_\_\_\_ day of October 2020.

**NOTICE PUBLISHED** on the \_\_\_\_ day of \_\_\_\_\_ 2020.

**PASSED AND ADOPTED** on the second and final 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