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ORDINANCE NO. 2025-09 OF THE CITY OF LAKE WORTH BEACH, FLORIDA, AMENDING CHAPTER 16, "PENSIONS AND RETIREMENT", ARTICLE II, "EMPLOYEES' RETIREMENT SYSTEM", DIVISION 2, "PENSION PLAN", SECTION 16-26, "PARTICIPATION IN THE PENSION PLAN", SECTION 16-44, "CASH BALANCE PLAN CREATED", AND SECTION 16-46, "ELIGIBILITY" TO NO LONGER PERMIT A SPECIFIED EMPLOYEE TO ACTIVELY PARTICIPATE IN THE PENSION PLAN; PROVIDING FOR SEVERABILITY, THE REPEAL OF LAWS IN CONFLICT, CODIFICATION, AND AN EFFECTIVE DATE

WHEREAS, the City has established and maintained the City of Lake Worth Beach Employees Retirement System ("Pension Plan"), the provisions of which presently are set forth in Divisions 1 and 2 of Article II of Chapter 16 of the City Code; and

WHEREAS, the City of Lake Worth Beach has entered into an agreement with the employee currently holding the position of City Clerk which provides for certain Pension Plan amendments; and

WHEREAS, it is desirable and consistent with the City's long-term goals for the Pension Plan to implement the amendments.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF LAKE WORTH BEACH, FLORIDA:

SECTION 1. Article II, Division 2, Section 16-26, "Participation in the pension plan" of the Code of Ordinances of the City of Lake Worth Beach, is amended by adding the underlined language as follows:

Sec. 16-26. Participation in the pension plan.

[...]

(b) A person shall remain a participant until the earlier of:

[...]

(4) The person holds or is appointed to a position enumerated in Section 16-15(h)(4), 16-15(h)(5), 16-15(h)(11), 16-15(h)(12), or 16-15(h)(13) on April 4, 2017 or thereafter. Persons holding such positions on the date immediately preceding April 4, 2017, or who are appointed to such positions after that date, and who have been participants in the pension plan, shall have a onetime, irrevocable option either to cease participation in the Pension Plan or to maintain participation in the Pension Plan. Such onetime option must be exercised no later than within 30 days of the date of appointment to such position or on or before 5:00 p.m., September 30, 2018. Any person who does not exercise the option within the allotted period shall remain in the Pension Plan. Notwithstanding the foregoing provisions of this paragraph (4) and any prior election(s) which may have been made pursuant thereto by the person holding, as of August 16, 2025, the position of city clerk,

51 such person shall no longer remain an active participant in the Pension Plan
52 effective as of 11:59 p.m., August 16, 2025.

- 53
54 (c) A new benefit structure, the Cash Balance Plan, is created effective October 1, 2018. All
55 employees hired on or after October 1, 2018, and holding a position not identified in PERC
56 certification No. 529, as amended or superseded, shall become participants in the Cash
57 Balance Plan on their first day of full-time service. Active employees hired on October 1,
58 2010, through September 30, 2018, and who are participants in the City of Lake Worth
59 Employees Retirement System shall have the onetime irrevocable option, to be exercised
60 by submitting to the City a signed writing no later than 5:00 p.m. on September 30, 2018,
61 to participate in the Cash Balance Plan commencing October 1, 2018, and to immediately
62 cease participation in the prior benefit structure. Employees who switch will become 100
63 percent vested in benefits accrued through September 30, 2018, and payable under the
64 terms and conditions then in effect. Any such employee who fails to make an election shall
65 not become a participant in the Cash Balance Plan. Notwithstanding the foregoing
66 provisions of subsection (c) and any prior election(s) which may have been made pursuant
67 thereto by the person holding, as of August 16, 2025, the position of city clerk, such person
68 shall no longer remain an active participant in the Cash Balance Plan effective as of 11:59
69 p.m., August 16, 2025. No employee, regardless of position, will be permitted to begin
70 participation in the prior benefit structure after 11:59 p.m., September 30, 2018. For
71 employees holding a position identified in PERC certification No. 529, as amended or
72 superseded, these same provisions in this subsection (c) shall apply, provided only that
73 each occurrence of the date "October 1, 2018," shall be instead "April 1, 2022," and each
74 occurrence of the date "September 30, 2018," shall be instead "March 31, 2022."
75

76 **SECTION 2.** Article II, Division 2, Section 16-44, "Cash balance plan created" of the Code
77 of Ordinances of the City of Lake Worth Beach, is amended by deleting the stricken language and
78 adding the underlined language as follows:
79

80 **Section 16-44. Cash balance plan created.**

81
82 Effective October 1, 2018, there is hereby added a cash balance plan feature ("cash
83 balance plan") to the City of Lake Worth Employees Retirement System, set forth in section 16-
84 44. All employees who are hired on or after October 1, 2018 (April 1, 2022 for employees holding
85 a position identified in PERC certification No. 529), and all employees hired before that date and
86 after September 30, 2010, who elect to participate in the cash balance plan shall actively
87 participate in the cash balance plan for so long as eligible to do so. Notwithstanding the foregoing
88 sentence and any prior election(s) which may have been made in connection therewith by the
89 person holding, as of August 16, 2025, the position of city clerk, such person shall not be eligible
90 to, and shall no longer, actively participate in the cash balance plan effective as of 11:59 p.m.,
91 August 16, 2025. With respect to any person, "actively participate" means making employee
92 contributions equal to a percentage of compensation as set forth in subsection (a) of section 16-
93 45 and receiving an allocation of principal credits equal to a percentage of employee
94 compensation to the person's hypothetical cash balance account as set forth in subsection (b) of
95 section 16-45. For the avoidance of doubt, interest credits continue to apply to the hypothetical
96 cash balance account of a person who no longer "actively participates," as set forth in subsection
97 (b) of section 16-45. ~~the~~ The cash balance plan is intended to meet the applicable requirements
98 of Internal Revenue Code Section 401(a), hereinafter referred to as "Code Section". The plan is
99 a "governmental plan" within the meaning of Code Section 414(d), and as such, is exempt from
100 the Employee Retirement Income Security Act of 1974, as amended. Except as otherwise

101 provided below, the terms of the City of Lake Worth Employees Retirement System shall apply to
102 the cash balance plan.

103
104 **SECTION 3.** Article II, Division 2, Section 16-44, "Cash balance plan created" of the Code
105 of Ordinances of the City of Lake Worth Beach, is amended by adding the underlined language
106 as follows:

107
108 **Sec. 16-46. Eligibility.**

109
110 Any employee holding a position not identified in PERC certification No. 529, as amended
111 or superseded, and hired on or after October 1, 2018, shall automatically become a participant in
112 the Cash Balance Plan as a mandatory condition of their employment, in addition to those
113 employees electing to participate in the Cash Balance Plan pursuant to Section 16-26(c).
114 Notwithstanding the foregoing sentence and any prior election(s) which may have been made
115 pursuant to Section 16-26(c) by the person holding, as of August 16, 2025, the position of city
116 clerk, such person shall not be eligible to, and shall no longer, actively participate in the cash
117 balance plan effective as of 11:59 p.m., August 16, 2025. For employees holding a position
118 identified in PERC certification No. 529, as amended or superseded, these same provisions of
119 this section shall apply, provided only that each occurrence of the date "October 1, 2018," shall
120 be instead "April 1, 2022."

121
122 **SECTION 3.** Severability. That if any word, phrase, clause, subsection or section of this
123 ordinance for any reason be held unconstitutional or invalid, the invalidity thereof shall not affect
124 the validity of any remaining portions of this ordinance.

125
126 **SECTION 4.** Repeal of Laws in Conflict. That all sections or parts of sections of the Code of
127 Ordinances, all ordinances or parts of ordinances, and all resolutions or parts of resolutions in
128 conflict herewith and the same are hereby repealed to the extent of such conflict.

129
130 **SECTION 5.** Codification. The sections of this Ordinance may become a part of the City
131 Code of Ordinances and may be renumbered or re-lettered to accomplish such, and the word
132 "ordinance" may be changed to "section," "division," or any other appropriate word.

133
134 **SECTION 6.** This Ordinance shall become effective upon its final passage.

135
136 The passage of this ordinance on first reading was moved by Commissioner
137 _____ seconded by Commissioner _____, and upon being put to a vote, the
138 vote was as follows:

- 139
140 Mayor Betty Resch
141 Vice Mayor Sarah Malega
142 Commissioner Christopher McVoy
143 Commissioner Mimi May
144 Commissioner Anthony Segrich

145
146 The Mayor thereupon declared this ordinance duly passed on first reading on the ____ day
147 of _____, 2025.

148
149 The passage of this ordinance on second reading was moved by Commissioner
150 _____, seconded by Commissioner _____, and upon being put to a vote, the
151 vote was as follows:

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Mayor Betty Resch
Vice Mayor Sarah Malega
Commissioner Christopher McVoy
Commissioner Mimi May
Commissioner Anthony Segrich

The Mayor thereupon declared this ordinance duly passed on second reading on the
_____ day of _____, 2025.

LAKE WORTH BEACH CITY COMMISSION

By: _____
Betty Resch, Mayor

ATTEST:

Melissa Ann Coyne, MMC, City Clerk