

ORDINANCE NO. 2022-____

AN ORDINANCE OF THE CITY OF OCALA,
AMENDING THE CITY OF OCALA GENERAL
EMPLOYEES' RETIREMENT SYSTEM, ADOPTED
PURSUANT TO ORDINANCE NO. 5988, AS
SUBSEQUENTLY AMENDED; IS HEREBY FURTHER
AMENDED BY AMENDING SECTION 43-67,
BENEFIT AMOUNTS AND ELIGIBILITY; SECTION
43-67; PROVIDING FOR SEVERABILITY OF
PROVISIONS; PROVIDING FOR CODIFICATION;
REPEALING ALL ORDINANCES IN CONFLICT AND
PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL AND THE CITY OF OCALA,
FLORIDA;

Section 1: That the City of Ocala General Employees' Retirement System adopted pursuant to Ordinance No. 5988, as subsequently amended, is hereby further amended by amending Section 43-67, Benefit amounts and eligibility, to read as follows:

Sec. 43-67. Benefit amounts and eligibility.

(a) *Plan freeze.* Notwithstanding any other provision of the system:

- (1) The accrued benefits of all members of the system who are employed and not participating in the DROP on September 30, 2013 shall be frozen on that date. All such members shall be 100 percent vested in their frozen accrued benefit as of September 30, 2013, regardless of their length of service on that date. The value of each member's frozen accrued benefit shall be calculated in accordance with the provisions of the system in effect on September 30, 2013, based on the member's credited service and average final compensation on that date. The frozen accrued benefit shall be payable to the member upon attainment of age 65 with five years of credited service or upon completion of 30 years of credited service, whichever occurs first, and termination of city employment. Alternatively, a member may elect to receive the frozen accrued benefit, reduced for early retirement in accordance with subsection (f)(2) below, upon attainment of age 55 with five years of credited service or upon completion of 25 years of credited service, whichever occurs first, and termination of city employment.
- (2) Any member of the system who is employed and not participating in the DROP on September 30, 2013 and has five or more years of credited service on that date shall earn benefits for credited service on and after October 1, 2013 in accordance with the variable benefit and contribution program plan set forth in subsection (b) below, unless the member elects to participate in a defined contribution plan in accordance with paragraph (4) below.

- (3) All general employees hired on or after October 1, 2013 shall participate in a defined contribution plan established by the city, and shall not be eligible to participate in the system.
 - (4) Any member of the system who is employed and not participating in the DROP on September 30, 2013, in lieu of participating in the variable benefit and contribution program set forth in subsection (b) below, may elect to participate in a defined contribution plan established by the city for credited service on and after October 1, 2013. The election to participate in the defined contribution plan must be made in writing on a form provided by the city and submitted no later than September 27, 2013, and is irrevocable.
 - (5) Any member of the system who is employed and not participating in the DROP on September 30, 2013, and has less than five years of credited service on that date, who elects to participate in the defined contribution plan in lieu of participating in the variable benefit and contribution program set forth in subsection (b) below, may also elect to transfer the actuarial present value of the frozen accrued benefit calculated in accordance with paragraph (1) above, or the member's accumulated contributions if greater, to the defined contribution plan, and upon such transfer shall not be eligible to receive any other benefit from the system. For the purpose of calculating the actuarial present value of the frozen accrued benefit, the same assumptions shall be used as set forth in subsection (b)(8)b. below, except that the mortality rate assumption shall be the RP2000 Combined Healthy Participant Mortality Table for males, with generational projection by Scale AA.
 - (6) Members of the system who are employed and not participating in the DROP on September 30, 2013 and who, on that date, have attained the normal retirement date or are within five years of the earliest applicable normal retirement date, shall continue to accrue benefits under the system in accordance with the provisions of the system in effect on September 29, 2013, for as long as they are employed by the city as a general employee.
 - (7) Members of the system who retired, entered the DROP or terminated city employment with the right to a deferred vested benefit prior to October 1, 2013 shall be entitled to receive benefits from the system in accordance with the provisions of the system in effect on the date of their retirement, DROP entry, or termination of employment.
- (b) *Variable benefit and contribution program.*
- (1) All members of the system who are employed and not participating in the DROP on September 30, 2013, who on that date have not attained the normal retirement date and are not within five years of the earliest applicable normal retirement date, and who have not elected to participate in the defined contribution plan, shall earn benefits for credited service on and after October 1, 2013 in accordance with the variable benefit and contribution program set forth in this subsection (b).

- (2) Benefits based on credited service on and after October 1, 2013 under the variable benefit and contribution program are variable and are not guaranteed before or after retirement, except for the one percent minimum benefit multiplier provided in subsection (b)(7)a., below.
- (3) *Target total employer contribution percentage:* For each plan year commencing October 1, 2013 and each October 1 thereafter, the target total employer contribution percentage for employee retirement benefits shall be determined in accordance with this subsection (b), subject to the applicable minimum and maximum target total employer contribution percentage set forth in the corridor table below, expressed as a percent of total covered payroll (excluding payroll of DROP participants).

	Target Total Employer Contribution Percentage			Target Total Employer Contribution Percentage	
Contribution Year Ending September 30	Corridor Minimum	Corridor Maximum	Contribution Year Ending September 30	Corridor Minimum	Corridor Maximum
2013	42%	42%	2028	18%	31%
2014	41%	57%	2029	18%	30%
2015	40%	55%	2030	16%	28%
2016	39%	54%	2031	14%	26%
2017	38%	53%	2032	14%	25%
2018	37%	52%	2033	13%	24%
2019	37%	51%	2034	13%	23%
2020	31%	48%	2035	13%	23%
2021	23%	45%	2036	9%	22%
2022	23%	42%	2037	9%	22%
2023	21%	37%	2038	9%	22%
2024	19%	34%	2039	6%	22%
2025	18%	33%	2040	6%	22%
2026	18%	32%	2041	6%	20%
2027	18%	32%	2042	6%	20%

- (4) *The target total employer contribution percentage:* is the combined employer contribution percentage of payroll for both the system and the defined contribution plan, and is equal to the:
- Sum of: (1) the expected dollar amount of the defined contribution plan's employer contribution; and (2) the expected dollar amount of the defined benefit plan's minimum required employer contribution, divided by the
 - Sum of: (1) the expected salary of employees expected to be eligible for an employer contribution allocation during the contribution year; and (2) the expected salary of all system members (excluding DROP plan members) expected to earn service credits.

- (5) The expected dollar amount of the defined contribution plan's employer contribution is based upon the defined contribution plan provisions and expected plan compensation of employees expected to be eligible for an employer contribution allocation during the contribution year.
- (6) The expected dollar amount of the system's minimum required employer contribution is the minimum required actuarially determined employer contribution to the system developed in accordance with the variable benefit multiplier, assumptions and methods specified below.
- (7) *Variable benefit multiplier and member contribution rates:*
 - a. For benefits based on credited service on and after October 1, 2013, the minimum benefit multiplier shall be 1.3% percent and the maximum benefit multiplier shall be 2.55 percent. The normal form of benefit for benefits based on credited service on and after October 1, 2013 shall be a life annuity.
 - b. On and after October 1, 2013, the minimum member contribution rate to the system shall be three percent of salary, and the maximum member contribution rate shall be five percent of salary.
 - c. For benefits based on credited service on and after October 1, 2013, the benefit multiplier shall be subject to increase or decrease retroactively to October 1, 2013, as well as prospectively; and the member contribution rate shall be subject to adjustment; as follows:
 - 1. Effective October 1, 2023, the minimum benefit multiplier is 1.3 percent for all years of service, which shall be subject to adjustment as provided in this paragraph. The benefit for current retirees, DROP members, and vested terminated members shall change to reflect the 1.3 percent multiplier for all years of service prospectively beginning with the October 1, 2023 payment.
 - i. Previous benefit multiplier: For credited service on and after October 1, 2013 through March 31, 2014, the benefit multiplier shall be 1.6 percent, which shall be subject to adjustment as provided in this paragraph.
 - 2. Effective October 1, 2013, the member contribution rate shall be three percent of salary, which shall be subject to adjustment as provided in this paragraph.
 - 3. Beginning April 1, 2014 and each October 1 thereafter, the benefit multiplier may remain the same or may be increased or decreased, retroactively to October 1, 2013, for all credited service earned on and after October 1, 2013; and beginning October 1, 2014 and each October 1 thereafter the member contribution rate may be adjusted; as necessary to maintain the final total employer contribution percentage within the corridor of the target total employer contribution percentage specified in paragraph (3) above, utilizing the following procedure:

- i. As of October 1, 2013 and each October 1 thereafter, an actuarial valuation of the system shall be performed to determine the preliminary total employer contribution percentage for the contribution year beginning on October 1, 2014 and each October 1 thereafter, based on the benefit multiplier in effect since the preceding April 1, and the member contribution rate in effect on each October 1.
- ii. In the event the preliminary total employer contribution percentage for any contribution year exceeds the maximum target total employer contribution percentage specified in paragraph (3) above, the benefit multiplier for credited service on and after October 1, 2013 shall be decreased in the minimum amount necessary to bring the total employer contribution percentage down to such maximum; provided, in no event shall the benefit multiplier be decreased below 1.0 percent.
- iii. In the event the preliminary total employer contribution percentage still exceeds the maximum target total employer contribution percentage specified in paragraph (3) above, even after decreasing the benefit multiplier to 1.0 percent for credited service on and after October 1, 2013, the member contribution rate to the system shall, subject to city council approval, be increased by the minimum amount necessary to bring the total employer contribution percentage down to such maximum; provided, in no event shall the member contribution rate be increased to more than five percent of salary.
- iv. In the event the preliminary total employer contribution percentage still exceeds the maximum target total employer contribution percentage specified in paragraph (3) above, even after decreasing the benefit multiplier to 1.0 percent for credited service on and after October 1, 2013, and increasing the member contribution rate to the system to five percent of salary, the preliminary total employer contribution percentage after all the foregoing adjustments shall become the final total employer contribution percentage without any further adjustment, even though it exceeds the maximum target total employer contribution percentage specified in paragraph (3) above.
- v. In the event the preliminary actual total employer contribution percentage for any contribution year is below the minimum target total employer contribution percentage specified in paragraph (3) above, the member contribution rate to the system shall be decreased commencing October 1 of the same contribution year as applicable to the total employer contribution percentage, by the minimum amount necessary

to bring the total employer contribution percentage up to such minimum; provided, in no event shall the member contribution rate be decreased to less than three percent of salary.

- vi. In the event the preliminary total employer contribution percentage is still below the minimum target total employer contribution percentage specified in paragraph (3) above, even after the member contribution rate is decreased to three percent of salary, the benefit multiplier shall be increased, subject to city council approval of an amendment to the system, for credited service on and after October 1, 2013, by the minimum amount necessary, to bring the preliminary total employer contribution percentage up to such minimum; provided, in no event shall the benefit multiplier be increased to more than 2.55 percent.
- vii. In the event the preliminary total employer contribution percentage is still below the minimum target total employer contribution percentage specified in paragraph (3) above, even after increasing the benefit multiplier to 2.55 percent for credited service on and after October 1, 2013, and decreasing the member contribution rate to the system to three percent of salary, the preliminary total employer contribution percentage after all the foregoing adjustments shall become the final total employer contribution percentage without any further adjustment, even though it is below the minimum target total employer contribution percentage specified in paragraph (3) above.
- viii. Notwithstanding subparagraphs ii. and vi. above, upon retirement a member may elect a fixed benefit multiplier in accordance with subsection 43-71(h), and such fixed benefit multiplier shall not thereafter be subject to adjustment pursuant to subparagraphs ii. and vi. above.

Section 2: If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

Section 3: Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Ocala.

Section 4: All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

Section 5: That this Ordinance shall become effective upon adoption.

ATTEST:

CITY OF OCALA

By: _____
Angel B. Jacobs
City Clerk

By: _____
Ire Bethea, Sr.
President, Ocala City Council

Approved/Denied by me as Mayor of the City of Ocala, Florida, on _____,
2022.

By: _____
Kent Guinn
Mayor

Approved as to form and legality:

By: _____
Robert Batsel, Jr.
City Attorney