

## Legislation Text

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**File #:** 20-467, **Version:** 2

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### **P.H. 2020-79: (PUBLIC HEARING 2ND READING)**

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, AMENDING CHAPTER 34, "CITY POLICY," OF THE CODE OF ORDINANCES OF THE CITY OF POMPANO BEACH RELATING TO THE POLICE & FIREFIGHTERS' RETIREMENT SYSTEM BY AMENDING SECTION 34.0571, "INTERNAL REVENUE CODE COMPLIANCE," TO PROVIDE FOR COMPLIANCE WITH THE SECURE ACT; BY AMENDING SECTION 34.0603, "DEFERRED RETIREMENT OPTION PLAN (DROP)," PROVIDING FOR A REDUCTION IN THE DROP ADMINISTRATIVE FEE; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

(Fiscal Impact: N/A)

### **FIRST READING: JULY 28, 2020**

(Staff Contact: Ed Beecher)

#### **Summary Explanation/Background:**

At the request of the Board of Trustees of the Pompano Beach Police & Firefighters' Retirement System at its virtual board meeting on May 18, 2020, the Board approved the proposed Ordinance amendments in two (2) sections of Chapter 34, subject to approval the City Commission. In summary, the recommend proposed Ordinance changes are:

1. Implements the change in the required age for required minimum distributions contained in the SECURE Act, which became law in December 2019. This changes the required age for required minimum distributions from age 70 and ½ to age 72.
2. Reduces the administrative fee charged to member DROP accounts from 75 basis points to 60 basis points annually.

The Nyhart Company, Inc., actuaries on behalf of the Board, opined in its attached May 27, 2020, impact statement that the "net effect of the updates to the pension plan would be no material change to the liability or calculated contributions." In addition, the City's pension expert, James W. Linn, with Lewis Longman Walker, PA opined that the "changes do not raise any legal or financial issues for the City."

Accordingly, this matter had been reviewed by City Staff and the City Attorney's Office and the appropriate agenda item prepared for City Commission approval.

**Origin of request for this action:** Police and Firefighters' Pension Board

**Fiscal impact and source of funding:** N/A

