PROPOSED ORDINANCE NO. 2026-05
ORDINANCE NO. __________

AN ORDINANCE OF THE CITY OF PEMBROKE PINES, FLORIDA, AMENDING CHAPTER 38 OF THE CITY'S CODE OF ORDINANCES WHICH PROVIDES FOR THE RETIREMENT INCOME PLAN FOR GENERAL EMPLOYEES OF THE CITY OF PEMBROKE PINES TO COMPLETELY TERMINATE THE PLAN IN ACCORDANCE WITH THE PROVISIONS OF §38.070 OF THE CITY'S CODE; SPECIFICALLY AMENDING §38.002, ENTITLED "DEFINITIONS," §38.005, ENTITLED "ACTIVE PARTICIPANTS," §38.025 ENTITLED "BENEFITS," § 38.031 ENTITLED "DEFERRED RETIREMENT OPTION PLAN," §38.042 ENTITLED "DISABILITY BENEFITS," §38.052 ENTITLED "OPTIONAL FORMS OF DISTRIBUTION," §38.053 "ELECTION PROCEDURES," AND §38.070 ENTITLED TERMINATION AND LIMITATION" FOR THE PURPOSES OF EFFECTUATING THE TERMINATION OF THE PLAN AS MORE FULLY PROVIDED FOR HEREIN; PROVIDING FOR CODIFICATION; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City maintains the Retirement Income Plan for General Employees' of the City of Pembroke Pines (the "Plan") as set forth in Chapter 38, §§38.001 through 38.100, inclusive, of the City's Code of Ordinances (the "Code"); and

WHEREAS, the City desires to amend the Plan in accordance with the provisions of §38.070 of the Code in order to completely terminate the Plan effective September 30, 2026; and

WHEREAS, the City notified the Federation of Public Employees representing the City's General Employees of its intent to terminate the Plan; and

WHEREAS, on July 1, 2026, the City provided written notice to all participants of the Plan of the City's intent to completely terminate the Plan and provide such participants information as to their rights and benefits associated with the Plan termination; and

WHEREAS, upon termination, each participant shall be provided non-forfeitable benefits as further required upon termination of the Plan; and

CODING: Words in ~~strike-through~~ type are deletions from existing law;
Words in underlined type are additions.

WHEREAS, certain additional amendments to the Plan are required in order to effectuate such termination of the Plan and ensure each participant's receipt of benefits to which they are entitled subject to the Plan's termination; and

WHEREAS, the City Commission finds it to be in the best interests of the City to the adopt the amendments set forth herein in order to effectuate the complete termination of the Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA THAT:

Section 1. The foregoing "WHEREAS" clauses are hereby ratified and confirmed as being true and correct, and are hereby incorporated herein and made a part hereof.

Section 2. All benefits under the Plan will be frozen as of June 30, 2026 with an effective Plan Termination date of September 30, 2026.

Section 3. The City Commission hereby amends the Plan by specifically amending §38.002 of the City Code, entitled "Definitions," as follows:

§38.002 Definitions.

. . .

Accrual Service. The total of an employee's continuous service. This total is expressed in whole years and fractional parts of a year (counting a complete month as a fractional part of a year). However, accrual service is modified as follows:

(1) Service after a date excluded: For an employee who is covered under a collective bargaining agreement with the employer, continuous service accrued after the date the accrued benefit is frozen (as stated in § 38.001), is excluded.

(2) Service while not an eligible employee excluded: Service while an employee was not an eligible employee is excluded.

(3) Voluntary discontinuance service excluded: Prior to October 1, 1998, service while an employee failed or refused to make a contribution required under the prior plan is excluded. This provision also applies to an employee's service while contributions were not made because he failed or refused to complete a written agreement to make such contributions.

(4) Other service excluded:

(a) Service for an employee who has a severance from employment and who is 0% vested in his accrued benefit resulting from employer contributions other than salary reduction contributions on such date shall be excluded if he receives a distribution of his required contribution account. Such service shall not be reinstated in the event he is later reemployed by the employer.

(b) Also, service for any participant who was covered under a collective bargaining agreement with the employer on June 30, 2010, who was zero percent vested in his accrued benefit resulting from employer contributions other than salary reduction contributions on such date, and who is later promoted to a non-collectively bargained position shall be excluded if he received a distribution of his required contribution account. Such service shall not be reinstated in the event he again becomes an active participant as described in §§ 38.001 and 38.005.

(5) Period of military duty included: A period of military duty shall be included as service with the employer to the extent it has not already been credited. Such service shall be deemed to be service as an eligible employee only if an employee was an eligible employee on the day immediately preceding the period of military duty.

<u>(6) As of June 30, 2026, up to an additional 2.25 years (27 months) shall be added to each active participant’s accrual service up to a maximum of twenty-eight (28) years accrual service total.</u>

. . .

Active Participant. An eligible employee who is actively participating in the <u>Plan</u> according to the provisions in § 38.005. <u>Notwithstanding anything to the contrary in the Plan, no Employee who is not already a Participant shall become a Participant on or after the Termination Date.</u>

Actuarial Equivalent. Equality in the value of the aggregate amount expected to be received for benefits payable at different times or under different forms of distributions.

(1) For purposes of determining the amount of a distribution other than an annual benefit that is nondecreasing for the life of the participant or, in the case of a preretirement survivor annuity, the life of the participant's spouse; or that decreases during the life of the participant merely because of the death of the surviving annuitant (but only if the reduction is to a level not below 50% of the annual benefit payable before the death of the surviving annuitant) or merely because of the cessation or reduction of Social Security supplements or qualified disability payments, actuarial equivalent shall be determined on the basis of the interest on 30-year Treasury securities for the look-back month for the stability period and the 1994 Group Annuity Reserve (GAR) Mortality Table. The look-back month applicable to the stability period is the second calendar month preceding the first day of the stability period. The stability period is the successive period of one calendar month that contains the annuity starting date for the distribution, and for which the interest rate remains constant.

(2) For purposes of determining benefits not described in division (1) of this definition, actuarial equivalent for benefits shall be determined on the basis of 7.5% interest and the 1983 Group Annuity Mortality Table as set forth in Revenue Ruling 95-6, 1995-1 C.B. 80.

(3) In any event, the preceding divisions (1) and (2) of this definition shall not apply to the extent they would cause the Plan to fail to satisfy the requirements of §§ 38.026 and 38.027.

(4) Notwithstanding any other provisions of the Plan to the contrary, effective for distributions with Annuity Starting Dates on or after December 31, 2002, but prior to January 1, 2008, the Applicable Mortality Table used for purposes of adjusting any benefit or limitation under Code sections 415(b)(2)(B), (C), or (D) is the table prescribed in Revenue Ruling 2001-62.

(5) The one-time, irrevocable Lump Sum Payment Option as set forth in §38.052(C) shall be the adjusted first, second, and third segment rates applied under Code Section 430(h)(2)(C) (without the 24-month averaging under Code Section 430(h)(2)(D) and determined without regard to the adjustment for the 25-year average segment rates provided in Code Section 30(h)(2)(C)(iv)) for the month of May preceding the Plan Year of distribution. The Mortality Table used shall be the table according to the method set forth in Code Section 417(e)(3).

. . .

Average Compensation.

(1) On any given date, the average of an employee's monthly compensation for those two highest compensation years (all compensation years, if less than two) ending before such given date.

(2) However, the average compensation for an employee who is covered under a collective bargaining agreement with the employer shall be his frozen average compensation determined as of the date the accrued benefit is frozen as stated in § 38.001. In determining such employee's frozen average compensation as of the date the accrued benefit is frozen, compensation years ending after that date shall be disregarded.

<u>(3) As of June 30, 2026, the Average Compensation for Active Participants shall include the Employee's anticipated Monthly Compensation through September 30, 2026.</u>

. . .

PRESENT VALUE*.* The actuarial equivalent of another benefit, expressed as a single sum amount.

. . .

<u>**TERMINATION DATE.** The Plan shall be terminated as of September 30, 2026 in accordance with the provisions of §38.070.</u>

<u>**Section 4.**</u> The City Commission hereby amends the Plan by specifically amending §38.005 of the City Code, entitled "Active Participant," as follows:

§ 38.005 Active Participant.

(A) Entry into the Plan is frozen for certain employees as stated in §38.001. The following provisions shall continue to apply to those employees who are not subject to such participation freeze:

(1) (a) An employee shall first become an active participant (begin active participation in the Plan) on the earliest date on which he is an eligible employee. This date is his entry date.

(b) Each employee who was an active participant on the day before the effective date of this restatement (as determined in § 38.001) shall continue to be an active participant if he is still an eligible employee on such restatement effective date and his entry date shall not change.

(2) (a) An inactive participant shall again become an active participant (resume active participation in the Plan) on the date he again becomes an eligible employee. This date is his reentry date.

(b) Upon again becoming an active participant, he shall cease to be an inactive participant.

(c) In no event, however, shall an employee who retires from employment with the employer, who receives a retirement benefit from such employment, and who is rehired by the employer be deemed to be an eligible employee for the purposes of participating in this Plan to receive an increased or second benefit under this Plan.

(3) (a) A former participant shall again become an active participant (resume active participation in the Plan) on the date he again becomes an eligible employee. This date is his reentry date.

(b) In no event, however, shall an employee who retires from employment with the employer, who receives a retirement benefit from such employment, and who is rehired by the employer be deemed to be an eligible employee for the purposes of participating in this Plan to receive an increased or second benefit under this Plan.

(B) There shall be no duplication of benefits for a participant because of more than one period as an active participant at the same time.

<u>(C) No Employee who is not already a Participant shall become a Participant on or after the Termination Date.</u>

<u>Section 5.</u> The City Commission hereby amends the Plan by specifically amending §38.025 of the City Code, entitled "Accrued Benefit," as follows:

§38.025 Accrued Benefit.

(A) An active participant's monthly accrued benefit as of any date, subject to the modifications below, will be equal to the following:

(1) An amount equal to 2.85% of his average compensation for each year of his accrual service. Such amount shall not exceed 80% of his average compensation.

(B) Notwithstanding the above, for a participant who retired or was an inactive participant prior to October 1, 1998, his monthly accrued benefit as of any date is an amount equal to the sum of divisions (B)(1), (B)(2), and (B)(3) below:

(1) Two percent of his average compensation multiplied by his accrual service before October 1, 1980.

(2) The product of divisions (B)(2)(a) and (B)(2)(b) below:

(a) An amount equal to division (B)(2)(a)1. or (B)(2)(a)2. below:

1. Two percent of his average compensation, for a participant making required contributions of 2%.

2. Two and one-half percent of his average compensation, for a participant making required contributions of 5%.

(b) His accrual service on and after October 1, 1980 and before October 1, 1982.

(3) The product of divisions (B)(3)(a) and (B)(3)(b) below:

(a) An amount equal to divisions (B)(3)(a)1. or (B)(3)(a)2. below:

1. Two percent of his average compensation, for a participant making required contributions of 3%.

2. Two and one-half percent of his average compensation, for a participant making required contributions of 6%.

(b) His accrual service on and after October 1, 1982.

(C) However, accrued benefit is modified as follows:

(1) An active participant's monthly accrued benefit shall be reduced by the amount of deferred monthly retirement benefit under the normal form beginning on his normal retirement date in lieu of which he has received a single sum payment under the Plan.

(2) After the date the accrued benefit is frozen (as stated in § 38.001), no additional benefits shall accrue under the Plan.

(3) In no event shall an employee who retires from employment with the employer, who receives a retirement benefit from such employment, and who is rehired by the employer be deemed to be an eligible employee for purposes of participating in this Plan to receive an increased or second benefit under this Plan.

(4) If the employer rehires a participant after the participant's retirement date, any monthly retirement benefits he is receiving shall continue unchanged. If he also becomes an active participant, there shall be no duplication of benefits for him under this Plan. See § 38.030.

(5) The participant's accrued benefit resulting from employer contributions is equal to the participant's total accrued benefit reduced by his required contribution accrued benefit.

<u>(D) Notwithstanding anything to the contrary in the Plan the Accrued Benefit of each Participant shall not increase on or after the Termination Date.</u>

<u>Section 6.</u> The City Commission hereby amends the Plan by specifically amending §38.031 of the City Code, entitled "Deferred Retirement Option Plan," as follows:

§38.031 Deferred Retirement Option Plan.

(A) An active participant and any employee who is covered under a collective bargaining agreement whose accrued benefit is frozen as of June 30, 2010 shall become eligible for participation in the Deferred Retirement Option Plan (DROP) on the first day of the month on or after his normal retirement date.

(B) At the time of a participant's entry into the DROP, the participant's accrual service, accrued benefit and average compensation shall be calculated as if the participant had actually retired from service. No additional accrual service shall be earned after entry into the DROP. Any changes in plan benefits shall not apply to participants in the DROP, unless otherwise applicable to retired participants of the plan.

(C) The active participant shall select the retirement option from the list available in § 38.052, and shall designate any beneficiary. In the absence of a beneficiary designation, or should the designated beneficiary predecease the participant, the participant's estate shall be the contingent beneficiary.

(D) The maximum period of DROP participation shall be eight years (five years for a participant who entered the DROP prior to December 1, 2017).

(E) An election to participate in the DROP shall constitute an irrevocable election to resign from the service of the employer not later than 96 months (60 months for a participant who entered the DROP prior to December 1, 2017) after commencement of DROP participation. Consistent with the provisions of the Older Workers' Benefits Protection Act, 29 U.S.C 626(f), as amended from time to time, all participants in the DROP shall be given 45 days in which to consider the terms of the DROP agreement and, after election to participate in the DROP, shall have seven calendar days following the execution of such agreement to revoke said agreement to receive the full eight years (five years for a participant who entered the DROP prior to December 1, 2017) of participation.

(F) Election to participate in the DROP must be exercised within the first eight years (five years for a participant who entered the DROP prior to December 1, 2017) of eligibility for the DROP for a maximum number of years as specified below. Election to participate must be made in writing in a time and manner determined by the employer.

(G) The duration and participation in the DROP shall be specified and shall not exceed eight years (five years for a participant who entered the DROP prior to December 1, 2017) from the first day of eligibility for normal retirement date, as chosen by the participant.

(H) Upon entry into the DROP, an amount equal to the participant's monthly retirement benefit shall be transferred to an account designated by the participant for investment. Participants may direct their DROP money to any of the investment options approved by the Employer for the DROP. Participants shall self-direct the value of their DROP account in investment options selected by the employer for the DROP. The only permissible investment options shall be "regulated investment companies" as defined in Code Section 851 or similar entities (e.g., mutual funds, etc.) set forth on Appendix "A" (which is incorporated into the terms of the Plan by this reference). The value of each participant's DROP account at any particular time shall equal the sum of the value(s) of his selected investment options (which shall be valued on a daily basis). If the employer desires to alter the available investment options or the manner of investing participant DROP accounts or the methodology for allocating investment experience to participant DROP accounts, such changes shall be set forth on Appendix “A” in a manner that satisfies the definitely determinable benefit requirements contained in Code Section 401(a)(25) and 1.401-1(b)(1)(i) of the regulations.

(I) There shall be no guaranteed rate of investment return on DROP deposits. Upon the direct transfer of the DROP money to the account designated by the participant, neither the employer nor the retirement fund shall have any obligation to the participant concerning investment gains or losses. Transfers between accounts shall be in accordance with the rules of the deferred compensation program.

(J) The decision to participate in the DROP is irrevocable.

(K) Upon entry into the DROP, a participant shall no longer be eligible for death or disability benefits under the plan. In the event of a disability or death, the participant shall be presumed to have retired on a normal retirement on the day before his disability or death. Distribution from the DROP account shall be made to the participant, or in the case of his death, to his designated beneficiary.

(L) No participant may receive a distribution from the DROP until actual separation from service with the employer. Distribution may be in a lump sum, periodic payments, an annuity, or a combination thereof. A participant may also elect to rollover the DROP account to another qualified retirement plan, including an individual retirement account. Distribution must commence not later than provided in Code Section 401(a)(9). It is the intent of the employer that this plan at all times be a qualified plan as determined by Code Section 401(a).

(M) During DROP participation, a participant shall be considered a retiree with deferred receipt of benefits for all plan purposes. For all other purposes, the participant shall be considered an active employee of the employer entitled to all rights of employment.

(N) The employer shall be empowered to promulgate uniform rules for the administration of the DROP, provided the rules are not inconsistent with the provisions of the plan.

(O) Notwithstanding anything in this section to the contrary, a participant who entered the DROP prior to December 1, 2017 shall be provided a one-time option to elect, in writing, to change the duration of his participation in the DROP from five years to eight years. Such election must occur within 30 days of the adoption of this amendment.

(P) <u>As of the Plan Termination Date, no new eligible Employee will be permitted to enter the DROP.</u>

<u>Section 7.</u> The City Commission hereby amends the Plan by specifically amending §38.042 of the City Code, entitled "Disability Benefits," as follows:

§ 38.042 Disability Benefits.

(A) If an active participant becomes disabled (and such disability is determined to meet the definition of totally and permanently disabled) before his retirement date (normal retirement date, if earlier), an immediate monthly disability benefit shall be payable to him as follows:

(1) If the participant's disability is not service related, and he has completed ten years of vesting service, the disability benefit shall be equal to his accrued benefit on the day before his monthly disability benefit begins.

(2) If the participant's disability is service related, the disability benefit shall be equal to the greater of (i) his accrued benefit on the day before his monthly disability benefit begins; or (ii) 40% of his current monthly compensation on such date.

(B) Monthly disability benefit payments shall begin on the earliest first day of the month on or after the date the participant meets the requirements under this section. Such payments shall continue through the last monthly payment made before the earliest of his retirement date (normal retirement date, if earlier), the date of his death, or the day following the date he is no longer totally and permanently disabled.

(C) If the payments continue through the month immediately preceding the participant's retirement date (normal retirement date, if earlier), retirement benefits shall be provided for him on his retirement date under the provisions of §§ 38.025 through 38.032 as if he were an active participant. His accrued benefit shall be equal to his accrued benefit as of the day before the disability benefit began. However, such accrued benefit shall not be less than the amount of monthly disability payment paid to him under this section. If, before the participant's retirement date (normal retirement date, if earlier), he recovers and returns to active work, for the employer within one month of his recovery, the payments shall stop and he shall again become an active participant under § 38.005. If, before the participant's retirement date (normal retirement date, if earlier), he recovers and does not return to active work for the employer within one month of his recovery, the payments shall stop and his benefits shall be redetermined, on the date he had a severance from employment, under § 38.041.

<u>(D) On or after the Termination Date, no Participant shall be eligible to receive a benefit under this Section.</u>

<u>Section 8.</u> The City Commission hereby amends the Plan by specifically amending §38.052 of the City Code, entitled "Optional Forms of Distribution," as follows:

§38.052 Optional Forms of Distribution.

(A) Retirement benefits.

(1) The optional forms of retirement benefit shall be the following: (i) a straight life annuity; (ii) single life annuities with certain periods of 5, 10, or 15 years; (iii) a single life annuity with modified cash refund of the participant's required contribution account; and (iv) survivorship life annuities with survivorship percentages of 50%, 66-2/3%, 75%, or 100%.

(2) The benefit payable under any optional form available above (other than the normal form) shall be the actuarial equivalent of the benefit that would otherwise be payable to the participant under the normal form on his retirement date. If the participant's retirement date is before his normal retirement date, the benefit payable under any optional form other than (i) a nondecreasing annuity payable for a period of not less than the life of the participant or (ii) an annuity that decreases during the life of the participant merely because of (a) the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or (b) the cessation or reduction of Social Security supplements or qualified disability payments (as defined in Code Section 401(a)(11)), shall not be less than the actuarial equivalent of the benefit that would otherwise be payable to the participant under the normal form on his normal retirement date.

(3) Election of an optional form is subject to the election provisions of § 38.053 and the distribution requirements of §§ 38.060 through 38.063.

(4) Any annuity contract distributed shall be nontransferable.

(B) Death benefits.

(1) The optional forms of death benefit are any of the optional forms of retirement benefit stated in division (A) above that are not survivorship life annuities.

(2) Election of an optional form is subject to the election provisions of § 38.053 and the distribution requirements of §§38.060 through 38.063.

(C) 2026 Lump Sum Payment Option Window. During the limited period defined herein, a 2026 Qualifying Member (as defined below) may elect to receive his or her non-forfeitable Pension under the conditions set forth in this sub-section.

(1) Definitions. For purposes of this sub-section, the following terms have the meanings ascribed to them below.

(a) "2026 Lump Sum Payment Option Window" means the special election period during which a 2026 Qualifying Member may elect to receive payment of his or her non-forfeitable Pension, even if such 2026 Qualifying Member has not satisfied the eligibility conditions that would otherwise be required to commence payment of his or her non-forfeitable Pension (determined without regard to this Section 5.8). The 2026 Lump Sum Payment Option Window will begin on July 6 2026 and will end on August 17 2026 or such later date established by the City's Investment Committee as set forth in §34.171 of the City Code in a uniform and nondiscriminatory manner.

(b) "2026 Qualifying Member" means a Member who satisfies each of the following:

(1) Participant (Active or Inactive) or other Beneficiary of the Plan as of the Plan Termination Date;

(2) is a Member whose non-forfeitable Pension can reasonably be determined based on data available to the Investment Committee; and

(3) can be located by the Investment Committee or its designee through a diligent search by such date established by the Investment Committee in a uniform and nondiscriminatory manner.

(4) Retiree in payment status who is not covered by Benefit Index product and are Participant

who has a Shared Interest QDRO Order. A Surviving Spouse is not entitles to any other form of payment other than what they are currently receiving.

(c) "2026 Special Benefit Election" means the written election made by a 2026 Qualifying Member, in accordance with such rules and procedures as the Investment Committee may apply to the 2026 Lump Sum Payment Option Window, to receive his or her non-forfeitable Pension pursuant to the 2026 Lump Sum Payment Option Window. In order for the 2026 Special Benefit Election to be valid, the completed 2026 Special Benefit Election must be properly completed, signed and dated on or before August 17, 2026 and must be received by the Investment Committee or its designee within an administratively feasible time period as determined by the Investment Committee.

(d) "2026 Window Election Commencement Date" means September 1, 2026.

(2) 2026 Lump Sum Payment Option. Notwithstanding any provision of the Plan to the contrary, any 2026 Qualifying Member who makes a valid 2026 Special Benefit Election (as determined by the Investment Committee) will receive distribution of his or her Pension in the form of a lump sum effective as of the 2026 Window Election Commencement Date. The lump sum payment to the 2026 Qualifying Member will be of Equivalent Actuarial Value, as of the 2026 Window Election Commencement Date, to the 2026 Qualifying Member's non-forfeitable Pension. Any lump sum payment pursuant to this Section 6.03 will fully settle the Plan's liability with respect to a 2026 Qualifying Member and no further benefit of any type will be payable to, or on behalf of such 2026 Qualifying Member hereunder, except to the extent the 2026 Qualifying Member is also a surviving spouse or beneficiary under the Plan.

(a) Present Value Rate Basis for Participants Eligible for Early Retirement: The interest rate basis for Participants who are eligible for early retirement as of the Termination Date shall be the greater of deferred or immediate rates.

(b) Age: To determine the Present Value of the benefit, age Nearest will be used.

(3) For Retirees in payment status as of June 1, 2026:

(a) May elect to receive an immediate annuity under any of the annuity forms available under this Section. The immediate annuity payable as of the New Annuity Starting

Date shall be determined by converting the Participant's existing annuity benefit to the new annuity form elected, using the Actuarial Equivalent factors for converting from one annuity form to another, and based upon the Participant's (and, if applicable, their contingent annuitant's) ages as of the New Annuity Starting Date.

(b) Must obtain the consent of their spouse at their original Annuity Starting Date, even if the Participant and spouse are no longer married (provided such former spouse is still living) if either:

(i) the Participant is receiving a Qualified Joint and Survivor Annuity with such former spouse as the contingent annuitant, or

(ii) such former spouse consented to an optional form of payment as of the original Annuity Starting Date but such consent was limited to the specific form or specific Beneficiary designated by the Participant at such time.

(4) Administration. The Investment Committee has the authority to make and enforce all such rules and procedures as it deems necessary or proper for the administration of the 2026 Lump Sum Payment Option Window.

Section 9. The City Commission hereby amends the Plan by specifically amending §38.053 of the City Code, entitled "Election Procedures," as follows:

§38.053 Election Procedures.

The participant, beneficiary, or spouse shall make any election under this section in writing. The Plan Administrator may require such individual to complete and sign any necessary documents as to the provisions to be made. Any election permitted under divisions (A) and (B) below shall be subject to the election provisions of division (C) below.

(A) Retirement benefits. A participant may elect his beneficiary or contingent annuitant and may elect to have retirement benefits distributed under any of the optional forms of retirement benefit available in § 38.052.

(B) Death benefits.

(1) An active participant may waive the preretirement survivor annuity by electing not to have the provisions of § 38.040(A)(1) and (2) continue to apply on and after his normal retirement date. If such participant makes this

election and dies on or after his normal retirement date, the preservation of retirement option death benefit shall be paid as if he had not been survived by a spouse or domestic partner.

(2) A participant may elect his beneficiary for any single sum death benefits and may elect to have such death benefits distributed under any of the optional forms of death benefit available in § 38.052.

(3) If the participant has not elected an optional form of distribution for the death benefit payable to his beneficiary, the beneficiary may, for his own benefit, elect the form of distribution, in like manner as a participant.

(4) The participant may waive the preretirement survivor annuity by electing not to have the single sum death benefit used to provide a minimum preretirement survivor annuity as described in § 38.040. If the participant makes this election, the single sum death benefit shall be paid as if the requirements of § 38.040(A)(1) had not been met.

(5) The spouse or domestic partner may waive the preretirement survivor annuity by electing not to have the single sum death benefit used to provide a minimum preretirement survivor annuity as described in § 38.040. If the spouse or domestic partner makes this election, the single sum death benefit shall be paid as if the requirements of § 38.040(A)(1) had not been met and the participant had named his spouse or domestic partner as beneficiary.

(6) In lieu of the preretirement survivor annuity described in § 38.040, the spouse or domestic partner may, for his own benefit, waive the preretirement survivor annuity by electing to have the benefit distributed under any of the optional forms of death benefit available in § 38.052.

(C) Election. The participant, beneficiary, spouse or domestic partner may make an election at any time during the election period. The participant, beneficiary, spouse or domestic partner may revoke the election made (or make a new election) at any time and any number of times during the election period.

(1) Election period for retirement benefits. A participant may make an election as to retirement benefits at any time before the annuity starting date.

(2) Election period for death benefits. A participant may make an election as to death benefits at any time before he dies. The spouse's election period begins on the date the participant dies and ends on the date benefits begin. The

beneficiary's election period begins on the date the participant dies and ends on the date benefits begin. If an active participant has a spouse or domestic partner who is entitled to a preretirement survivor annuity his election period as to the preservation of retirement option death benefit begins 90 days before the first day of the Plan year in which such participant reaches his normal retirement date.

(D) Due to the Termination of the Plan, a Participant or Beneficiary who is already receiving their Benefit may make a one-time, irrevocable election by August 17, 2026 to receive a single sum payment in lieu of the continuation of their Plan benefit payments in the form currently being received by such Participant. The amount of the single sum payment shall be equal to the Present Value of the remaining annuity benefit to be paid to the retired Participant under the Plan (including, if applicable, the amount of any benefit that would be payable following the death of such retired Participant), determined as of November 1, 2026, based upon the retired Participant's (and, if applicable, their contingent annuitant's) ages as of such date. Such payment shall be in full settlement of any and all benefits under the Plan.

Section 10. The City Commission hereby amends the Plan by specifically amending §38.070 of the City Code, entitled "Termination and Limitation," as follows:

§38.070 Termination and Limitation.

(A) The employer expects to continue the Plan indefinitely but reserves the right to terminate the Plan in whole or in part at any time upon giving written notice to all parties concerned.

(B) In the event of the complete termination of this Plan, the rights of all affected participants to benefits accrued as of the date of such termination shall be nonforfeitable. Upon complete termination of the Plan, no further employees shall become participants, and no further contributions shall be made except as required by any governmental agency to which the Plan's termination is subject.

(C) This Plan is not subject to Title IV of the Employee Retirement Income Security Act of 1974 (ERISA). Benefits shall not be insured by the Pension Benefit Guaranty Corporation and the participant's recourse towards satisfaction of his right to his nonforfeitable accrued benefit will be limited to the Plan assets. However, the assets of the Plan that are available to provide benefits shall be allocated and applied as of the effective date of termination of the Plan according to the classifications and order of precedence provided under Title IV of ERISA and under any rules, regulations, interpretations or opinions implementing said Title IV or any other equitable method as determined by the Plan Administrator and agreed upon by the insurer.

(D) No part of the Plan assets shall be paid to the employer at any time, except that, after the satisfaction of all liabilities under the Plan, any assets remaining shall be paid to the employer. No payment shall be made to the employer if it would contravene any provision of law.

<u>(E) Effective September 30, 2026 (the “Termination Date”), the Plan shall fully terminate in accordance with this section and shall satisfy all of its liabilities and distribute all of its assets as provided herein and in accordance with the terms of the Plan. Benefits will be frozen for Active Employees as of June 30, 2026, except as otherwise provided for in the Plan.</u>

<u>Section 11.</u> Individuals who were Active Participants in the Plan and who were accruing service credits as of September 30, 2026, may thereafter participate in the City’s 401(a) Plan as established pursuant to §34.150 of the City’s Code of Ordinances, with an employer contribution of up to twenty-five percent (25%) of base salary effective October 1, 2026, not to exceed the maximum allowed by law.

<u>Section 12.</u> The appropriate members of the City staff are hereby authorized to take any and all steps necessary to effectuate the intent of this Ordinance.

<u>Section 13.</u> It is the intention of the City Commission of the City of Pembroke Pines, 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 Pembroke Pines, Florida. The Sections of this Ordinance may be re-numbered, re-lettered and the word "Ordinance" may be changed to "Section", "Article" or such other word or phrase in order to accomplish such intention.

<u>Section 14.</u> All Ordinances or parts of Ordinances, Resolutions or parts of

Resolutions in conflict herewith be and the same are hereby repealed to the extent of such conflict.

Section 15. If any clause, section, or other part or application of this Ordinance shall be held by any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part or application shall be considered as eliminated and so not effecting the validity of the remaining portions or applications remaining in full force and effect.

Section 16. Upon satisfaction of each of the three following requirements set forth below, the terms and provisions of this Ordinance shall become effective upon second reading and take effect retroactively to June 30, 2026:

(a) the City Commission has received and has accepted a report establishing the actuarial soundness of these amendments or a letter of opinion from the Plan Actuary that the amendment has no actuarial impact; and

(b) the Ordinance and impact statement have been sent to the State of Florida Division of Retirement; and

(c) the Federation of Public Employees, or their successor organizations, in writing accept the changes proposed in this ordinance.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK.

PROPOSED ORDINANCE NO. 2026-05
ORDINANCE NO. __________

PASSED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA, ON THE FIRST READING, THIS ___ DAY OF _______________, 2026.

PASSED ADOPTED BY THE CITY COMMISSION OF THE CITY OF PEMBROKE PINES, FLORIDA, ON THE SECOND AND FINAL READING, THIS ___ DAY OF __________________, 2026.

CITY OF PEMBROKE PINES, FLORIDA

By: ___________________________________
MAYOR ANGELO CASTILLO

ATTEST:

____
GABRIEL FERNANDEZ, CITY CLERK

APPROVED AS TO FORM:

____
OFFICE OF THE CITY ATTORNEY

CASTILLO	___________
HERNANDEZ	___________
GOOD	___________
RODRIGUEZ	___________
SCHWARTZ	___________

CODING: Words in ~~strike-through~~ type are deletions from existing law;
Words in underlined type are additions.