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1 is created and added to the Plan and shall be available to employees upon
2 reaching their normal retirement date.

3
4 (b) Upon entry into the DROP, an employee is considered retired for pension
5 plan purposes.

6
7 (c) An employee may elect to participate in the DROP provided the employee
8 makes the election no later than thirty (30) days after reaching the
9 employee's latest normal retirement date. Notwithstanding the foregoing,
10 effective April 1, 2025, members must make their initial election to
11 participate in the DROP by the later of:

12
13 (1) Thirty (30) days after reaching their latest normal retirement date;
14 or

15
16 (2) Ninety (90) days after April 1, 2025.

17
18 (d) An election to participate in the DROP must be made in writing and shall
19 become irrevocable thirty (30) days following the date it is received by the
20 Pension Administrator and the Village's Director of Human Resources.

21
22 (e) Effective [insert effective date of Ordinance], an employee who elects to
23 participate in the DROP may participate in the plan for a maximum of
24 ninety-six (96) months. An employee who entered the DROP before [insert
25 effective date] elects to participate could participate in the DROP may
26 participate in the plan for a maximum of sixty (60) months. The application
27 to enter into the DROP shall include an irrevocable letter of resignation
28 effective upon the last day of DROP participation. Employees who
29 participate in the DROP may elect to terminate their participation prior to
30 ninety-six (96) sixty (60) months of participation, but may not continue
31 participation beyond ninety-six (96) sixty (60) months from the date of entry
32 into the DROP. All DROP participants who are actively employed and in
33 the DROP on [insert effective date of Ordinance] can elect into the ninety-
34 six (96) month DROP by completing and filing a form with the Board
35 making that election within 90 days of the adoption of the Ordinance
36 creating the ninety-six (96) month DROP.

37
38 (f) An eligible employee who elects to participate in the DROP shall have the
39 employee's benefit calculated based on credited service, multiplier, and
40 average monthly earnings determined as of the effective date of the
41 employee's election to participate in the DROP. No further credited service,
42 benefit changes, or changes in earnings shall be considered for pension
43 purposes.

44
45 (g) After entering the DROP, a participant shall not be eligible for disability or
46 pre-retirement death benefits under the Plan. This provision is not intended

1 to limit entitlement to any statutory line of duty death benefit under state or
2 federal law.

- 3
- 4 (h) A DROP account shall be established for each employee who elects to
5 participate. These are not actual accounts; rather they are nominal accounts
6 and balances kept as a bookkeeping process.
- 7
- 8 (i) During the period of the employee's participation in the DROP, the
9 employee's normal retirement benefit shall be accounted for in the
10 employee's DROP account.
- 11
- 12 (j) The employee's DROP account shall be invested with the retirement plan
13 assets and credited with the overall net (earnings less costs) investment rate
14 of return on the retirement plan assets during the period of the employee's
15 participation in the DROP and the crediting rate will be no less than zero
16 (0) percent and no more than 6.40 percent.
- 17
- 18 (k) At the conclusion of the employee's participation in the DROP, and as a
19 condition of participating in such plan, the employee will terminate Village
20 employment. The retiree will thereafter receive a normal monthly
21 retirement benefit as previously calculated upon entry into the DROP, but
22 the monthly amount will be paid to the retiree and no longer accounted for
23 in the DROP account. If the employee does not terminate participation in
24 the DROP at the end of the ~~sixty (60) month~~ employee's maximum
25 participation period (sixty (60) or ninety-six (96) months, as applicable), no
26 earnings shall be credited on the DROP balance and no further DROP
27 deposits shall be made.
- 28
- 29 (l) No amount can be paid from the retirement plan until the DROP employee
30 terminates employment.
- 31
- 32 (m) Upon termination, the retiree's DROP account will be distributed to the
33 retiree in a lump sum, which can be rolled over or paid in cash at the retiree's
34 discretion. Direct rollover may be accomplished by any reasonable means
35 determined by the Board.
- 36
- 37 (n) If a retiree dies before distribution of the retiree's DROP account
38 commences, the account balance shall be distributed to the retiree's
39 designated beneficiary in a lump sum, which can be rolled over or paid in
40 cash at the beneficiary's discretion.
- 41
- 42 (o) Distribution of an employee's DROP account shall begin as soon as
43 administratively practicable following the employee's termination of
44 employment. The employee must elect the distribution within forty-five
45 (45) days following the employee's termination date. If the employee does

not timely request the withdrawal of the asset in the DROP, no further earnings shall be credited on the DROP balance.

- (p) Any form of payment selected by the employee must comply with the minimum distribution requirements of the IRC 401(A)(9), ~~i.e., payments must commence by age seventy two (72).~~

Section 3. All other provisions of Division 4 of Article V of Chapter 2 of the Village Code of Ordinances not expressly amended as set forth above shall remain unchanged by the adoption of this Ordinance.

Section 4. The provisions of this Ordinance shall become and be made part of the Code of the Village of North Palm Beach, Florida.

Section 5. If any action, paragraph, sentence, clause, phrase, or word of this Ordinance is for any reason held be a court of competent jurisdiction to be unconstitutional, inoperative, or void, such holding shall not affect the remainder of this Ordinance.

Section 6. This Ordinance shall be effective immediately upon adoption.

PLACED ON FIRST READING THIS ____ DAY OF _____, 2025.

PLACED ON SECOND, FINAL READING AND PASSED THIS _____ DAY OF _____, 2025

(Village Seal)

MAYOR

ATTEST:

VILLAGE CLERK

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

VILLAGE ATTORNEY