1		ORDINANCE NO			
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3		ORDINANCE OF THE VILLAGE COUNCIL OF THE VILLAGE OF			
4	NORTH PALM BEACH, FLORIDA AMENDING DIVISION 4, "PENSION				
5	AND CERTAIN OTHER BENEFITS FOR FIRE AND POLICE EMPLOYEES,"				
6	OF ARTICLE V, "PENSIONS AND RETIREMENTS SYSTEMS," OF				
7	CHAPTER 2, "ADMINISTRATION," OF THE VILLAGE CODE OF				
8	ORDINANCES BY AMENDING SECTION 2-170.1 TO IMPLEMENT				
9	CHANGES TO THE DEFERRED RETIREMENT OPTION PLAN RESULTING				
10	FROM MEMORANDUMS OF UNDERSTANDING WITH THE COLLECTIVE				
11	BARGAINING AGENTS REPRESENTING POLICE OFFICER AND				
12	FIREFIGHTER EMPLOYEES; PROVIDING FOR CODIFICATION;				
13	PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND				
14	PRO	VIDING FOR AN EFFECTIVE DATE.			
15	WHEDEAC	the Village energies a rationant plan for its police officer and firefighter ampleyees			
16 17	WHEREAS, the Village sponsors a retirement plan for its police officer and firefighter employees known as the Village of North Palm Beach Fire and Police Retirement Fund, which is administered				
18	by a Board of Trustees; and				
19	by a Board of Trustees, and				
20	WHEREAS	, the Village and the collective bargaining agents representing the police officer and			
21	firefighter employees (Palm Beach County Police Benevolent Association, Inc. and the				
22	Professional Firefighters/Paramedics of Palm Beach County, Local 2928, IAFF, respectively) have				
23	each agreed to a memorandum of understanding to extend the Deferred Option Benefit Plan from				
24	five to eight years; and				
25					
26	WHEREAS, the Village Council wishes to amend the Plan to incorporate this change and				
27	determines that the adoption of this Ordinance is in the interest of the public health, safety and				
28	welfare of the Village and its residents.				
29					
30	NOW, THEREFORE BE IT ORDAINED BY THE VILLAGE COUNCIL OF THE VILLAGE				
31	OF NORTH	PALM BEACH, FLORIDA as follows:			
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33	Section 1.	The foregoing "Whereas" clauses are ratified as true and incorporated herein.			
34	~				
35	Section 2.	The Village Council hereby amends Chapter 2, "Administration," Article V,			
36	"Pensions and Retirement Systems," Division 4, "Pension and Certain Other Benefits for Fire and				
37	Police Employees," of the Village Code of Ordinances by amending Section 2-170.1 to read as				
38	ionows (add	litional language is <u>underlined</u> and deleted language is <del>stricken through</del> ):			
39 40		* * *			
40					
41	Sec	2-170.1. Deferred option benefit plan (DROP).			
43	Dec.	2 1/0.1. Deterred option benefit plan (DROI).			
44	(a)	Effective October 24, 2019 upon the adoption of the Ordinance from which			
45	(/	this section derived, a Deferred Retirement Option Plan ("DROP") benefit			
		,			

is created and added to the Plan and shall be available to employees upon 1 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 An employee may elect to participate in the DROP provided the employee (c) 8 makes the election no later than thirty (30) days after reaching the employee's latest normal retirement date. Notwithstanding the foregoing, 9 effective April 1, 2025, members must make their initial election to 10 participate in the DROP by the later of: 11 12 (1) Thirty (30) days after reaching their latest normal retirement date; 13 14 or 15 Ninety (90) days after April 1, 2025. 16 (2) 17 (d) An election to participate in the DROP must be made in writing and shall 18 become irrevocable thirty (30) days following the date it is received by the 19 Pension Administrator and the Village's Director of Human Resources. 20 21 22 Effective [insert effective date of Ordinance], an employee who elects to (e) participate in the DROP may participate in the plan for a maximum of 23 ninety-six (96) months. An employee who entered the DROP before [insert 24 effective date] elects to participate could participate in the DROP may 25 26 participate in the plan for a maximum of sixty (60) months. The application to enter into the DROP shall include an irrevocable letter of resignation 27 effective upon the last day of DROP participation. Employees who 28 participate in the DROP may elect to terminate their participation prior to 29 ninety-six (96) sixty (60) months of participation, but may not continue 30 participation beyond ninety-six (96) sixty (60) months from the date of entry 31 into the DROP. All DROP participants who are actively employed and in 32 the DROP on [insert effective date of Ordinance] can elect into the ninety-33 six (96) month DROP by completing and filing a form with the Board 34 making that election within 90 days of the adoption of the Ordinance 35 creating the ninety-six (96) month DROP. 36 37 (f) An eligible employee who elects to participate in the DROP shall have the 38 39 employee's benefit calculated based on credited service, multiplier, and average monthly earnings determined as of the effective date of the 40 employee's election to participate in the DROP. No further credited service, 41 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 pre-retirement death benefits under the Plan. This provision is not intended

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to limit entitlement to any statutory line of duty death benefit under state or 1 2 federal law. 3 (h) A DROP account shall be established for each employee who elects to 4 participate. These are not actual accounts; rather they are nominal accounts 5 and balances kept as a bookkeeping process. 6 7 During the period of the employee's participation in the DROP, the 8 (i) employee's normal retirement benefit shall be accounted for in the 9 employee's DROP account. 10 11 (j) The employee's DROP account shall be invested with the retirement plan 12 assets and credited with the overall net (earnings less costs) investment rate 13 of return on the retirement plan assets during the period of the employee's 14 participation in the DROP and the crediting rate will be no less than zero 15 (0) percent and no more than 6.40 percent. 16 17 (k) At the conclusion of the employee's participation in the DROP, and as a 18 condition of participating in such plan, the employee will terminate Village 19 20 employment. The retiree will thereafter receive a normal monthly retirement benefit as previously calculated upon entry into the DROP, but 21 the monthly amount will be paid to the retiree and no longer accounted for 22 in the DROP account. If the employee does not terminate participation in 23 the DROP at the end of the sixty (60) month employee's maximum 24 participation period (sixty (60) or ninety-six (96) months, as applicable), no 25 earnings shall be credited on the DROP balance and no further DROP 26 deposits shall be made. 27 28 (1) No amount can be paid from the retirement plan until the DROP employee 29 terminates employment. 30 31 Upon termination, the retiree's DROP account will be distributed to the 32 (m) 33 retiree in a lump sum, which can be rolled over or paid in cash at the retiree's discretion. Direct rollover may be accomplished by any reasonable means 34 determined by the Board. 35 36 If a retiree dies before distribution of the retiree's DROP account 37 (n) commences, the account balance shall be distributed to the retiree's 38 39 designated beneficiary in a lump sum, which can be rolled over or paid in cash at the beneficiary's discretion. 40 41 42 (o) Distribution of an employee's DROP account shall begin as soon as administratively practicable following the employee's termination of 43 employment. The employee must elect the distribution within forty-five 44 45 (45) days following the employee's termination date. If the employee does

1 2 3		• •	withdrawal of the asset in the DROP, no further ed on the DROP balance.	
4 5 6	(p)		selected by the employee must comply with the requirements of the IRC 401(A)(9), i.e., payments seventy two (72).	
7				
8	Section 3.	All other provisions of l	Division 4 of Article V of Chapter 2 of the Village Code of	
9	Ordinances not expressly amended as set forth above shall remain unchanged by the adoption of			
10	this Ordinan	ce.		
11				
12	Section 4.	The provisions of this O	ordinance shall become and be made part of the Code of the	
13	Village of North Palm Beach, Florida.			
14				
15	Section 5.		, sentence, clause, phrase, or word of this Ordinance is for	
16	any reason held be a court of competent jurisdiction to be unconstitutional, inoperative, or void			
17	such holding	shall not affect the remain	nder of this Ordinance.	
18				
19	Section 6.	This Ordinance shall be	effective immediately upon adoption.	
20				
21	PLACED O	N FIRST READING THIS	S DAY OF, 2025.	
22	DI AGED OF	MARGONE EDILL RELL		
23		N SECOND, FINAL REAL	DING AND PASSED THIS DAY OF,	
24	2025			
25 26				
26	(V:11000 Coo	1)		
27	(Village Sea	1)	MAYOR	
28			MATOK	
29 20				
30 31	ATTEST:			
31 32	ATTEST.			
32 33				
33 34	VII I	AGE CLERK		
35	VILLAGE CLERK			
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37	APPROVED	AS TO FORM AND		
38		FFICIENCY:		
39		,		
40				
41	VILI	LAGE ATTORNEY		