

TAB 4

Law Offices

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November 21, 2008

Ms. Diane Ponder
Palmetto General Employees' Retirement System
Post Office Box 1209
Palmetto, Florida 34220-1209

Re: City of Palmetto General Employees' Retirement System - Proposed Ordinance

Dear Diane:

Enclosed please find a proposed ordinance amending the City of Palmetto General Employees' Retirement System, which is recommended for approval by the Board and adoption by the City Commission. With the adoption of the Pension Protection Act of 2006 and subsequent regulations and guidance from the Internal Revenue Service, as well as other changes to the Internal Revenue Code and Regulations and changes to State law, the following amendments to the pension plan are proposed:

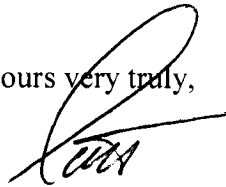
1. Section 22-81, Definitions, is being amended for Internal Revenue Code (IRC) changes and changes to the Uniformed Services Employment and Reemployment Rights Act (USERRA), to amend the definitions of:
 - a. Actuarial Equivalent - IRC
 - b. Credited Service - USERRA
 - c. Salary - IRC
2. Section 22-85, Contributions, is being amended for clarification of language to satisfy the requirements of State Actuary, Charles Slavin.
3. Section 22-86, Benefit amounts and eligibility, is being amended to add subsection (f), Required Distribution Date. - IRC
4. Section 22-87, Pre-Retirement Death, is being amended to comply with IRC changes regarding non-spouse beneficiaries.
5. Section 22-88, Disability, is being amended to clarify the conditions under which a disabled retiree may be recalled to duty.

6. Section 22-90, Optional Forms of Benefits, has been amended to:
 - a. Cite an appropriate Treasury Regulation - IRC
 - b. Add a new subsection (e)(5) - IRC
 - c. Amend subsection (g) - IRC
7. Section 22-94, Maximum Pension, has been totally re-written to comply with IRC changes.
8. Section 22-95, Minimum Distribution of Benefits, is being amended for IRC changes.
9. Section 22-96, Miscellaneous provisions, is being amended for changes to the IRC, USERRA and general compliance language.
10. Section 22-97, Repeal or Termination of System, is being amended for IRC changes to eliminate outdated language.
11. Section 22-98, Exemption from Execution, non-assignability, is being amended to add the requirement that members who are involved in a divorce will provide a copy of the proposed court order to the Board for review prior to submitting it to the Court. This review will avoid the entry of an order requiring the plan to make payments to an ex-spouse which are not legally permissible and avoid possible expenses to the Board in seeking the repeal of any such orders. This amendment also allows a retiree to direct retirement benefit deductions for payments to the City or to insurance companies for benefits such as health insurance. This is a non-mandatory, no-cost recommended amendment.
12. Section 22-100, Forfeiture of Pension, is being amended to include a recent amendment to Section 112.3173, Florida Statutes, which is applicable to all Florida pension plans.
13. Section 22-102, Direct Transfers of Eligible Rollover Distributions; Elimination of Mandatory Distributions, is being amended to comply with IRC changes.
14. Section 22-104, Separation from Employment for Military Service, is being removed in its entirety, as new revised language has been added to the definition of Credited Service

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By copy of this letter to the Board's actuary, Gabriel, Roeder, Smith & Company, I am requesting that they provide you with a letter indicating the cost, if any, associated with the adoption of this ordinance. If you have any questions with regard to this ordinance, please feel free to give me a call.

Yours very truly,

A handwritten signature in black ink, appearing to read "SCRC", written over a horizontal line.

Scott R. Christiansen

SRC/dm
enclosure

cc: J. Stephen Palmquist, with enclosure

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PALMETTO AMENDING CHAPTER 22, PERSONNEL, ARTICLE IV, GENERAL EMPLOYEES' RETIREMENT SYSTEM, OF THE CODE OF ORDINANCES OF THE CITY OF PALMETTO; AMENDING SECTION 22-81, DEFINITIONS; AMENDING SECTION 22-85, CONTRIBUTIONS; AMENDING SECTION 22-86, BENEFIT AMOUNTS AND ELIGIBILITY; AMENDING SECTION 22-87, PRE-RETIREMENT DEATH; AMENDING SECTION 22-88, DISABILITY; AMENDING SECTION 22-90, OPTIONAL FORMS OF BENEFITS; AMENDING SECTION 22-94, MAXIMUM PENSION; AMENDING SECTION 22-95, MINIMUM DISTRIBUTION OF BENEFITS; AMENDING SECTION 22-96, MISCELLANEOUS PROVISIONS; AMENDING SECTION 22-97, REPEAL OR TERMINATION OF SYSTEM; AMENDING SECTION 22-98, EXEMPTION FROM EXECUTION, NON-ASSIGNABILITY; AMENDING SECTION 22-100, FORFEITURE OF PENSION; AMENDING SECTION 22-102, DIRECT TRANSFERS OF ELIGIBLE ROLLOVER DISTRIBUTIONS, ELIMINATION OF MANDATORY DISTRIBUTIONS; DELETING SECTION 22-104, SEPARATION FROM EMPLOYMENT FOR MILITARY SERVICE; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY OF PROVISIONS; REPEALING ALL ORDINANCES IN CONFLICT HEREWITH AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF PALMETTO, FLORIDA, IN REGULAR SESSION ASSEMBLED:

SECTION 1: That Chapter 22, Personnel, Article IV, General Employees' Retirement System, of the City of Palmetto Code of Ordinances, is hereby amended by amending Section 22-81, Definitions, to amend the definitions of "Actuarial Equivalent", "Credited Service" and "Salary", to read as follows:

Actuarial equivalent means a benefit or amount of equal value, ~~based upon the 1983 group annuity mortality table with a blending of seventy-five (75) percent male rates and twenty-five (25) percent female rates. In case of disability retirees, such rates shall be set forward five (5) years. The interest rate to be used shall be eight and one-half (8.5) percent per annum~~ determined on the basis of actuarial equivalency using assumptions adopted by the board such that benefit calculations are not subject to city discretion.