

**TAB 4**

Law Offices

**Christiansen & Dehner, P.A.**

63 Sarasota Center Blvd. Suite 107 Sarasota, Florida 34240 • 941-377-2200 • Fax 941-377-4848

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January 16, 2012

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

Re: Ordinance Amending Pension Plan

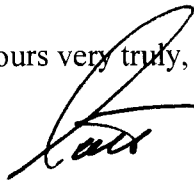
Dear Diane:

As directed by the Board at its meeting on November 28, 2011, enclosed please find a proposed ordinance amending the City of Palmetto General Employees' Retirement Plan, which is recommended for approval by the Board. Section 22-81, Definitions, is being amended to amend the definition of Salary to reflect the new limitation on overtime and accrued sick and annual leave, resulting from the recently adopted Chapter 2011-216, Laws of Florida. This document should be copied and distributed to each member of the Board for review and approval at the next board meeting.

By copy of this letter to the plan's actuary, Foster & Foster, Inc., I am requesting that they provide you with a letter indicating that there is no cost associated with the adoption of this ordinance.

If you have any questions regarding the enclosed, please feel free to give me a call.

Yours very truly,



Scott R. Christiansen

SRC/dm  
enclosure

cc: Doug Lozen, 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; 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: Amendment Language.**

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 definition of *Salary*, to read as follows:

\* \* \* \* \*

*Salary* means the total compensation for services rendered to the city as general employee reportable on the member's W-2 form including lump sum payments of unused sick leave and vacation time, plus all tax deferred, tax sheltered or tax exempt items of income derived from elective employee payroll deductions or salary reductions. For service earned after July 1, 2011, salary shall not include more than three hundred (300) hours of overtime per calendar year and shall also not include payments for accrued unused sick or annual leave. Provided however, in any event, payments for overtime in excess of three hundred (300) hours per year or accrued unused sick or annual leave accrued as of July 1, 2011 and attributable to service earned prior to July 1, 2011, may still be included in salary for pension purposes even if the payment is not actually made until on or after July 1, 2011. In any event, with respect to unused sick leave and unused annual leave accrued prior to July 1, 2011, salary will include the lesser of the amount of sick or annual leave time accrued on July 1, 2011 or the actual amount of sick or annual leave time for which the retiree receives payment at the time of retirement, regardless of whether the amount of sick or annual leave was, at some time prior to retirement, reduced below the amount on July 1, 2011.

Compensation in excess of the limitations set forth in section 401(a)(17) of the Code as of the first day of the plan year shall be disregarded for any purpose, including employee contributions or any benefit calculations. The annual compensation of each member taken into account in determining benefits or employee contributions for any plan year beginning on or after January 1, 2002, may not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Internal Revenue Code Section 401(a)(17)(B). Compensation means compensation during the fiscal year. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year. If the determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12. If the compensation for any prior determination period is taken into account in determining a member's contributions or benefits for the current plan year, the compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that prior period. The limitation on compensation for an "eligible employee" shall not be less than the amount that was allowed to be taken into account hereunder as in effect on July 1, 1993. "Eligible employee" is an individual who was a member before the first plan year beginning after December 31, 1995.

**SECTION 2: Codification.** Specific authority is hereby granted to codify and incorporate this Ordinance in the existing Code of Ordinances of the City of Palmetto.

**SECTION 3: Repeal of Inconsistent Ordinances.** All Ordinances or parts of Ordinances in conflict herewith be and the same are hereby repealed.

**SECTION 4: Severability.** If any section, subsection, sentence, clause, phrase of this ordinance, or the particular application thereof shall be held invalid by any court, administrative agency, or other body with appropriate jurisdiction, the remaining section, subsection, sentences, clauses, or phrases under application shall not be affected thereby.

**SECTION 5: Effective Date.** This Ordinance shall take effect as provided for by law and by City Charter, Section 14, upon execution by the Mayor or, if disapproval occurs, upon reconsideration by the City Commission and passing of the Ordinance by at least four votes.

First Reading: \_\_\_\_\_, 2012.

Publication: \_\_\_\_\_, 2012.

Second Reading and Public Hearing: \_\_\_\_\_, 2012.

**PASSED AND DULY ADOPTED BY THE CITY COMMISSION OF THE CITY OF PALMETTO, FLORIDA,** with a quorum present and voting, in regular session assembled, this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

By: \_\_\_\_\_  
Shirley Groover-Bryant, Mayor

ATTEST:

By: \_\_\_\_\_  
James R. Freeman, City Clerk