

REPLY TO: TALLAHASSEE

MEMORANDUM

TO: Alan Bullock, Director of Human Resources
City of Venice

FROM: Jim Linn

DATE: October 10, 2019

SUBJECT: Police Officers' Pension Plan – Proposed Ordinance

As requested, I have reviewed the proposed ordinance amending the City of Venice Police Officers' Pension Trust Fund (the "Plan") that was enclosed with Plan attorney Scott Christiansen's letter of September 13, 2019. You asked that I review the proposed ordinance, identify the changes that are required (or not required) by federal or state law, and provide comments and recommendations. My comments on each section of the ordinance follow.

Section 1: Amends Section 50-138, Disability.

Section 50-138 currently provides that a terminated member (i.e., a police officer who leaves city employment before the normal or early retirement date) is not eligible for disability benefits unless the member is terminated for medical reasons, and applies for a disability pension within 30 days following termination. The proposed ordinance removes language from subsections (a) and (c) providing that a member who is terminated for medical reasons may apply for disability benefits with 30 days following termination, but adds a more comprehensive provision on eligibility for disability benefits in a new subsection (h). Although not required by law, in my judgment these revisions are acceptable.

Section 2: Amends Section 50-145, Maximum Pension.

This section amends section 17-50 to correct a typo in subsection (h). This change is consistent with federal law.

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Section 3: Amends Section 50-147, Miscellaneous Provisions.

This section adds a new subsection (j) to section 50-147 concerning missing benefit recipients. The new subsection incorporates by reference the IRS Employee Plans Compliance Resolution Program, which the Plan is required to follow. Although I do not believe adding the reference to the IRS Compliance Program to the Plan is required by law, in my judgment this change is acceptable.

Section 4: Amends Section 50-158, Deferred Option Retirement Plan.

This section removes subsection (f)(8), concerning prevention of escheat. Under state law, pension benefits that are not claimed by a rightful recipient are subject to reversion to the state. The language in subsection (f)(8) established a procedure for attempting to locate persons who are entitled to payments from the Plan, with the objective of preventing reversion of Plan assets to the state. In view of the new language added to section 50-147 incorporating the IRS Employee Plans Compliance Resolution Program, the prevention of escheat language is no longer needed. Accordingly, in my judgment this change is acceptable.

Section 5: Amends Section 50-160, Reemployment After Retirement.

This section amends section 50-160 to conform to the 2014 plan changes and reflect that the city has joined FRS. The changes to subsections (b) and (d) [reemployment after normal and early retirement] are consistent with the FRS statute. The changes to subsections (a) and (e) [reemployment after disability retirement] are not required, but do not change the substance of the existing Plan. In my judgment these changes are acceptable.

Please let me know if you have any questions or wish to discuss any aspect of the proposed ordinance.