

## ORDINANCE NO. 2025-04

AN ORDINANCE OF THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA AMENDING DIVISION 4, "PENSION AND CERTAIN OTHER BENEFITS FOR FIRE AND POLICE EMPLOYEES," OF ARTICLE V, "PENSIONS AND RETIREMENTS SYSTEMS," OF CHAPTER 2, "ADMINISTRATION," OF THE VILLAGE CODE OF ORDINANCES TO IMPLEMENT CHANGES TO RETIREMENT BENEFITS RESULTING FROM COLLECTIVE BARGAINING WITH THE UNION REPRESENTING THE VILLAGE'S FIREFIGHTER EMPLOYEES (IAFF); PROVIDING FOR AMENDMENTS AFFECTING THE CALCULATION OF FIREFIGHTER EMPLOYEES' RETIREMENT BENEFITS WHEN THEY BECOME ELIGIBLE FOR SAME; INCREASING EMPLOYEE CONTRIBUTION RATES; CLARIFYING THE ENTRY WINDOW FOR PARTICIPATION IN THE DEFERRED RETIREMENT OPTION PLAN (DROP); APPLYING THE USE OF INSURANCE PREMIUM TAX REVENUE TO THE VILLAGE ANNUAL RETIREMENT CONTRIBUTION; PROVIDING FOR CODIFICATION; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICTS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, collective bargaining with the unions that represents the Village's firefighter employees has been concluded with the ratification of a new Collective Bargaining Agreement by the Village Council and the bargaining units; and

WHEREAS, the new Collective Bargaining Agreement provides for amendments to the retirement benefits for firefighters; and

WHEREAS, a majority of bargaining unit employees ratified the Agreement, including the provisions for increasing employee contributions; and

WHEREAS, the Village Council finds that the retirement benefit amendments hereinafter described are fully consistent with the new Collective Bargaining Agreement; and

WHEREAS, Village Administration has complied with all conditions precedent to the adoption of a pension plan amendment as required by Florida Statutes; and

WHEREAS, the Village Council determines that the adoption of this Ordinance is in the interests of the public health, safety and welfare of the Village and its residents.

NOW, THEREFORE, BE IT ORDAINED BY THE VILLAGE COUNCIL OF THE VILLAGE OF NORTH PALM BEACH, FLORIDA as follows:

Section 1. The foregoing "whereas" clauses are hereby ratified as true and are incorporated herein.

Section 2. The Village Council hereby amends Chapter 2, "Administration," Article V, "Pensions and Retirement Systems," Division 4, "Pension and Certain Other Benefits for Fire and Police

Employees,” of the Village Code of Ordinance as follows (new language is underlined and deleted language is ~~stricken through~~):

**Sec. 2-159. Creation of trust and definitions.**

\* \* \*

*Normal retirement date* means: ~~for each member the~~

- (1) For Police Officer members: The first day of the month coincident with or next following the date on which the Police Officer member attains age fifty-five (55) or the date on which the member attains age fifty-two (52) and has twenty-five (25) years of credited service. A Police Officer member may retire on this normal retirement date or on the first day of any month thereafter.
  
- (2) For Firefighter members: Effective for retirements on and after April 1, 2025, the first day of the month coincident with or next following the date on which the Firefighter member attains (1) age fifty-two (52) years regardless of years of credited service or (2) upon the completion of twenty-five (25) years of credited service regardless of age. For retirements prior to April 1, 2025, the normal retirement date meant the first day of the month coincident with or next following the date on which the Firefighter member (1) attained age fifty-five (55) years or (2) the date on which the Firefighter member attained age fifty-two (52) years and had twenty-five (25) years of credited service. In all cases, a Firefighter member may retire on this normal retirement date or on the first day of any month thereafter.

\* \* \*

**Sec. 2-161. Benefit amounts.**

- (a) *Normal retirement benefit.*
  - (1) *Amount.* Each member who retires on or after the member’s normal retirement date shall be eligible to receive a normal retirement benefit commencing on the member’s actual retirement date. In all cases, the benefit provided for years of service on and after October 1, 2018 shall be at least 2.75 percent of average monthly earnings per year of service (provided the member was employed by the village on and after July 11, 2019). The monthly normal retirement benefit shall be calculated as follows:

For Police Officer members: An amount equal to the sum of:

- a. two and one-half (~~2-3/4~~ 2.5) percent of the member's average monthly earnings multiplied by the member's credited service prior to October 1, 2018; and
- b. two and three-fourths (~~2-3/4~~ 2.75) percent for credited service on or after October 1, 2018 (provided the member remained employed by the Village as a police officer on or after July 11, 2019); and
- c. three (3.0) percent for credited service on or after October 1, 2022.

On and after October 1, 2022, a police officer retiree's maximum monthly pension benefit shall not exceed eighty (80) percent of the retiree's average monthly earnings as that term is defined in section 2-159 above; for retirements prior to October 1, 2022, the maximum benefit is seventy-five (75) percent of average monthly earnings.

For Firefighter members: An amount equal to the sum of:

- a. two and one-half (2.5) percent of the member's average monthly earnings multiplied by the member's credited service prior to October 1, 2018; and
- b. two and three-fourths (2.75) percent for credited service on or after October 1, 2018 (provided the member remained employed by the Village as a firefighter on or after July 11, 2019); and
- c. three (3.0) percent for credited service on or after October 1, 2021 for members employed on or after April 1, 2025.

On and after October 1, 2022, a Firefighter retiree's maximum monthly pension benefit shall not exceed eighty (80) percent of the retiree's average monthly earnings as that term is defined in Section 2-159 above; for retirements prior to October 1, 2022, the maximum benefit is seventy-five (75) % percent of average monthly earnings.

\* \* \*

**Sec. 2-161.1. Firefighter supplement.**

Any Firefighter who satisfies the requirements for a normal retirement or is approved for a duty disability retirement and is separated from employment on or after April 1, 2025 is entitled to and shall be paid a lifetime monthly

supplemental benefit equal to fifteen dollars (\$15.00) per year of service. This benefit is payable for the lifetime of the Firefighter member.

- (a) Firefighter members in the DROP are not entitled to a supplemental benefit payment while participating in the DROP, but the years of service while participating in the DROP shall count as years of service for purposes of calculating the amount of the supplemental benefit to be paid to the Firefighter member after separation of employment.
- (b) Firefighter members may choose to receive the supplemental benefit under one of the optional forms of benefits in Section 2-162 which will cause the supplemental benefit to be actuarially adjusted to be actuarially equivalent to the Firefighter member's lifetime supplemental benefit.
- (c) Firefighter members who retire on an early retirement, a vested terminated benefit that begins at early or normal retirement, pre-retirement death benefits whether duty or nonduty, and nonduty disabilities are not entitled to the supplemental benefit.

**Sec. 2-163. Contributions.**

- (a) *Member contributions.*
  - (1) *Amount.* Members of the plan shall make regular contributions to the fund as follows: at rate equal to two (2) percent of their respective earnings.  
  
*For Police Officer members only:*
    - (i) ~~Effective at the beginning of the first full payroll period after October 1, 2013, the Police Officer member contribution shall increase to two and sixty seven one hundredths (2.67) percent;~~
    - (ii) ~~Effective the first full payroll period after October 1, 2014, the Police Officer member contribution shall increase to three and thirty three one hundredths (3.33) percent; and~~
    - (iii) ~~Effective the first full payroll period after October 1, 2015, the Police Officer member contribution shall increase to four (4) percent.~~
    - (iv) ~~Effective the second payroll period following the adoption of Ordinance 2019-11, the Police Officer member shall contribute 6.00 percent of earnings.~~

- (iv) Effective the first payroll period after October 1, 2020, the Police Officer member shall contribute seven (7.0) percent of earnings.
- (iiiv) Effective the first full payroll after October 1, 2022, the Police Officer member shall contribute eight and one-half (8.5) percent of earnings.
- (iiivii) Effective the first payroll after October 1, 2023, the Police Officer member shall contribute ten (10.0) percent of earnings; and
- (iiiviii) During participation in the DROP, Police Officer members shall contribute four (4.0) percent of earnings, with three (3.0) percent credited to the member's DROP account and one (1.0) percent applied to the pension plan unfunded actuarial accrued liability ("UAAL").

For Firefighter members only:

- ~~(i) Effective the beginning of the first full payroll period after April 1, 2015, the Firefighter member contribution shall increase to three and one-half (3.50) percent; and~~
- ~~(ii) Effective the first full payroll period after April 1, 2016, the Firefighter member contribution shall increase to five (5.00) percent.~~
- (iii) Effective with the second payroll period following adoption of Ordinance No. 2019-11, the Firefighter member contribution shall increase from five (5) percent of earnings to seven (7.0) percent of earnings.
- (iiiv) Effective the first full payroll period after October 1, 2022, the Firefighter member contribution shall increase from seven (7.0) percent to seven and one-half (7.5) percent.
- (iiiv) Effective the first full payroll period after October 1, 2023, the Firefighter member contribution shall increase from seven and one-half (7.5) percent to eight (8.0) percent.
- (iiivi) Effective the first full payroll period after October 1, 2024, the Firefighter member contribution shall increase from eight (8.0) percent to eight and one-half (8.5) percent.

- (v) Effective the first payroll period after March 31, 2025, the Firefighter member contribution shall increase from eight and one-half (8.5) percent to eleven (11.0) percent.
- (vii) During DROP, the Firefighter member shall contribute four (4.0) percent of earnings, with three (3.0) percent credited to the member's DROP account and one (1.0) percent applied to the Pension Plan.

\* \* \*

- (b) *State contributions.* Any monies received or receivable by reason of the laws of the State of Florida for the express purpose of funding and paying for the benefits of police officers or firefighters shall be deposited in the fund within the time prescribed by law. Such monies shall be for the sole and exclusive use of members or may be used to pay extra benefits for members. Pursuant to the mutual consent provisions of Sections 175.351 and 185.35, Florida Statutes, the The State contributions pursuant to Chapters 175/185 are applied to reduce the Village's annual contribution.

**Sec. 2-170.1 Deferred retirement option benefit-plan (DROP)**

\* \* \*

- (c) An employee may elect to participate in the DROP provided the employee makes the election no later than thirty (30) days after reaching the employee's latest normal retirement date. Notwithstanding the foregoing, effective April 1, 2025 ~~upon first enactment of this Ordinance~~, members must make their initial election to participate in the DROP by the later of:
  - (1) Thirty (30) days after reaching their latest normal retirement date; or
  - (2) Ninety (90) days after ~~creation of the DROP~~ April 1, 2025.

\* \* \*

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 the Ordinance.

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

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

Section 6. All ordinances or parts of ordinances and resolutions or parts of resolutions in conflict with this Ordinance are hereby repealed to the extent of such conflict.

Section 7. This Ordinance shall take effect immediately upon adoption.

PLACED ON FIRST READING THIS 13<sup>TH</sup> DAY OF FEBRUARY, 2025.

PLACED ON SECOND, FINAL READING AND PASSED THIS 27<sup>TH</sup> DAY OF FEBRUARY, 2025



ATTEST

  
VILLAGE CLERK

  
MAYOR

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:

  
VILLAGE ATTORNEY