

BOARD OF TRUSTEES

SUNRISE GENERAL EMPLOYEES' RETIREMENT PLAN

ADMINISTRATIVE RULE GOVERNING THE PURCHASE OF PRIOR AND INTERVENING GOVERNMENTAL SERVICE FOR GENERAL EMPLOYEES, CITY COMMISSIONER AND THE CITY MANAGER

1. City of Sunrise Code Section 11-2 vests control, management, operation and administration of the Plan in the Board of Trustees. The City Code authorizes the Board of Trustees to adopt any rules necessary for the administration of the Retirement Plan. Accordingly, this administrative rule shall address the procedure to be employed regarding the purchase of prior and intervening governmental service by Plan members.

Section 11-13(7) of the Code grants the Board of Trustees the authority:

“To make such rules and regulations as are necessary for the effective administration of the plan.”

2. Section 11-38(b) and (c) allow for the purchase of prior and intervening governmental service. The Section specifically provides:

“(b)(1) Any member who has terminated employment with the city and has received a return of contributions may, upon regaining employment with the city, buy-back prior service, including up to five (5) years of intervening, non-pensionable government service, by restoring to the plan the full amount of the employee contribution refunded, and, for each year of intervening, non-pensionable government service claimed, an amount equal to five (5) percent of the member's annual compensation rate at the time of re-employment, or an annual amount corresponding to the salary the member would have received had he or she remained with the city, if known, together with interest at the board's assumed rate of investment return at the time the buy back is completed. Credit for one (1) year of intervening government service may be purchased for each year of prior creditable service a member elects to buy back up to a maximum of five (5) years.

(2) Members who wish to buy-back prior service must file with the

board a notification of their intention to participate in the buy-back within sixty (60) days after reinstatement of employment where the right to buy-back prior service credit is irrevocably waived. In the case of a member who has not previously bought back prior service credit, but who has been employed for more than sixty (60) days as of the effective day of this section, such member shall have sixty (60) days from the effective date of this section to provide the notification to the board of the intention to buy-back prior service credits or the right to the buy-back is irrevocably waived.

(3) The buy-back must be completed within one (1) year following notification to the board of the intention to participate in the buy-back. Failure to complete the buy-back within one (1) year period shall result in a forfeiture of the right to the buy-back and an immediate refund of all buy-back contributions, without interest. The buy-back contribution may be made by a cash payment to the fund, through authorization of additional pickup contributions, or by transfer of assets from another qualified retirement plan.

(4) No credit for prior service shall be granted nor may any benefit be based on prior service until full repayment is made in accordance with this section.

(5) The cost attributable to buy-backs under this section shall be in addition to the maximum cost attributable to the city under section 11-26(b)(3) of the City Code.

(c) Any sitting city commissioner, any future city commissioner, and the city manager shall be eligible to buy-back service in accordance with the provisions of subsection (b)(3), (4) and (5) above from the date the commissioner or manager was first elected or employed, including up to five (5) years of intervening, non-pensionable government service, and upon payment of the full amount of the contributions the city commissioner or manager would have made if a plan member, together with interest at the board's assumed rate of investment return at the time the buy back is completed. If commissioners or the city manager wish to buy-back, they must file with the board a notification of their intention to participate in the buy-back within sixty (60) days from the effective date of this ordinance for sitting commissioners and the city manager and within sixty (60) days from their re-election for any future commissioners. If notice is not given, the right to buy-back is irrevocably waived.”

3. Any member wishing to purchase service pursuant to 11-38 must complete an application/election form provided by the Plan Administrator. The form must specifically provide whether the time being purchased is prior non-pensionable City service or intervening governmental service with another employer, and the actual amount of service being purchased. The form must also contain an acknowledgment to be signed by the member indicating that they are not receiving, or eligible to receive in the future, a defined benefit retirement from another publicly supported system, except the federal military retirement system, for the time being purchased. The form shall also contain a warning that the board is empowered under City of Sunrise Code Sections 11-42 and 43 to purge the pension rolls of any person who is granted a benefit, if the benefit is found to have been erroneously, fraudulently, or illegally obtained.
4. Should a member choose to purchase service after receiving the estimate, the member shall pay the full cost of the service buyback within one year following notification to the board of the intention to participate in the buy-back. The Board of Trustees has determined that the intent of the Ordinance is that the member shall pay the entire actuarial cost of the buyback. This has been the past practice of the Retirement Plan, and is the manner in which the ordinance has previously been interpreted. The buyback shall be purchased in one lump sum, through authorization of additional pickup contributions, or by rollover from a qualified retirement plan.
5. With regard to the purchase of intervening governmental service, the member shall provide sufficient proof of actual service with a governmental employer indicating the length of service with that employer. Only full time service with a governmental employer may be purchased. The member shall also provide sufficient proof that the member is not receiving, or eligible to receive, a defined benefit retirement based on the prior service. Either a certified copy of a member's personnel file, or a notarized statement from the prior employer shall be acceptable as sufficient proof of the prior governmental service. Once this proof is received, the Plan Administrator shall verify the information with the prior governmental employer.
7. The Board of Trustees reserves the right to amend this Administrative Rule from time to time as it deems appropriate. The Board shall retain the right to exercise its discretion in interpreting this rule and in resolving any disputes that may arise hereunder.
8. This rule was considered by the Board of Trustees at a public hearing, following proper notice, on February 25, 2009. The Administrative Rule was adopted by vote of the Trustees on February 25, 2009.