

CITY OF CORAL GABLES, FLORIDA

ORDINANCE NO. 2020 - __

AN ORDINANCE AMENDING CHAPTER 46 OF THE "CODE OF THE CITY OF CORAL GABLES," ENTITLED "PENSIONS"; REVISING THE REQUIRED MINIMUM DISTRIBUTION AGE FOR PENSION BENEFITS IN ACCORDANCE WITH THE "SECURE" ACT; AMENDING SECTION 46-272, ENTITLED "MINIMUM DISTRIBUTION OF BENEFITS"; AMENDING SECTION 46-351, ENTITLED "DEATH BENEFITS WHILE PARTICIPANT ON ACTIVE DUTY"; AMENDING SECTION 46-352, ENTITLED "SEPARATION BENEFITS"; AND PROVIDING FOR SEVERABILITY, REPEALER, CODIFICATION, AND AN EFFECTIVE DATE.

WHEREAS, in December 2019, the U.S. Congress enacted the Setting Every Community Up for Retirement Enhancement ("SECURE") Act, which amended the age requirements for minimum distributions of pension benefits; and

WHEREAS, to implement the changes contained in the SECURE Act, an ordinance amending the City Code provisions governing the Retirement System is required.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMISSION OF THE CITY OF CORAL GABLES:

SECTION 1. That the foregoing recitals are hereby ratified and confirmed as being true and correct and are hereby made a part of this Ordinance upon adoption.

SECTION 2. That section 46-272 of the "Code of the City of Coral Gables" pertaining to "Pensions" is hereby amended to read as follows¹:

Sec. 46-272. - Minimum distribution of benefits.

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(b) *Time and manner of distributions.*

(1) *Required beginning date.* The participant's entire interest will be distributed, or begin to be distributed, to the participant no later than the participant's required

¹ Words and figures underscored are additions to existing law; words and figures struck-through are deletions.

beginning date which shall not be later than April 1 of the calendar year following the later of the calendar year in which the participant attains age 70½ (age 72 for participants who attain age 70½ on or after January 1, 2020) or the calendar year in which the participant retires, unless otherwise provided for in the system or required by law.

(2) *Death of a participant before distributions begin.* If the participant dies before distributions begin, the participant's entire interest will be distributed, or begin to be distributed no later than as follows:

a. If the participant's surviving spouse is the participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the participant died, or by December 31 of the calendar year in which the participant would have attained age 70½ (age 72 for participants who would have attained age 70½ on or after January 1, 2020), if later.

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SECTION 3. That section 46-351 of the "Code of the City of Coral Gables" pertaining to "Pensions" is hereby amended to read as follows:

Sec. 46-351. - Death benefits while participant on active duty.

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(d) The board may not direct payment of the participant's net credit over a period described in subsection (c)(2) of this section unless the board will commence payment to the designated beneficiary no later than the December 31 following the close of the calendar year in which the participant's death occurred or, if later, and the designated beneficiary is the participant's surviving spouse, December 31 of the calendar year in which the participant would have attained age 70½ (age 72 for participants who would have attained age 70½ on or after January 1, 2020). If the board will make distribution in accordance with subsection (c)(2) of this section, the minimum distribution for a calendar year equals the participant's net credit as of the latest valuation date preceding the beginning of the calendar year divided by the designated beneficiary's life expectancy. The board must use the unisex life expectancy multiples under Treasury Regulations section 1.72-9 for purposes of applying this subsection. The board, only upon the written request of the participant or of the participant's surviving spouse, will recalculate the life expectancy of the participant's surviving spouse not more frequently than annually, but may not recalculate the life expectancy of a nonspouse designated beneficiary after the board commences payment to the designated beneficiary. The board will apply this subsection by treating any amount paid to the participant's child, which becomes payable to the participant's surviving spouse upon the child's attaining the age of majority, as paid to the participant's surviving spouse. Upon the beneficiary's written request, the board must accelerate payment of all, or any portion of, the participant's unpaid net credit, as soon as administratively practicable following the effective date of that request.

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SECTION 4. That section 46-352 of the "Code of the City of Coral Gables" pertaining to "Pensions" is hereby amended to read as follows:

Sec. 46-352. - Separation benefits.

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- (f) If any distribution commencement date described under this article, is later than the participant's required beginning date, the board instead must make distribution on the participant's required beginning date. A participant's required beginning date is the April 1 following the close of the calendar year in which the participant attains age 70½ (age 72 for participants who would have attained age 70½ on or after January 1, 2020), or, if later, the year in which he/she retires, provided the participant is not a five percent owner (as defined in IRC § 416). A mandatory distribution at the participant's required beginning date will be in lump sum.

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SECTION 5. That all sections or parts of sections of the Code of the City of Coral Gables, all ordinances or parts of ordinances, and all laws of the City of Coral Gables in conflict herewith shall be and are hereby repealed insofar as there is a conflict or inconsistency.

SECTION 6. That it is the intention of the Commission of the City of Coral Gables, Florida, that the provisions of this Ordinance shall become and be made a part of the City of Coral Gables Code of Ordinances; and that the sections of this Ordinance may be renumbered or re-lettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or such other appropriate word or phrases in order to accomplish such intentions.

SECTION 7. That this Ordinance shall become effective upon adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, A.D., 2020.

APPROVED:

RAUL VALDES-FAULI
MAYOR

ATTEST:

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

BILLY Y. URQUIA
CITY CLERK

MIRIAM SOLER RAMOS
CITY ATTORNEY