# MEMORANDUM

Agenda Item No. 14(A)(6)

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| **TO:** | Honorable Chairman Jean Monestime<br>and Members, Board of County Commissioners | **DATE:** | October 18, 2016 |
| **FROM:** | Abigail Price-Williams<br>County Attorney | **SUBJECT:** | Resolution directing the County Mayor to develop and implement, if feasible, a retirement benefit plan by January 1, 2017 for reemployed retirees who are ineligible for enrollment in the Florida Retirement System and provide a report |

**This item was amended at the 10-11-16 Strategic Planning & Government Operations Committee to clarify that (1) the retirement benefit contemplated by the resolution would not be provided to reemployed retirees who have participated in the Deferred Option Retirement Program (DROP) with any Florida Retirement System employer and (2) the report required by this resolution should identify the number of reemployed retirees that would be eligible for the benefit and the number of reemployed retirees employees that have participated in the DROP program who would not be eligible for the benefit.**

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Juan C. Zapata.

Abigail Price-Williams
County Attorney

APW/lmp

# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

**DATE:** October 18, 2016

**FROM:** Abigail Price-Williams
County Attorney

**SUBJECT:** Agenda Item No. 14(A)(6)

**Please note any items checked.**

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Statement of social equity required**

_____ **Ordinance creating a new board requires detailed County Mayor's report for public hearing**

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 14(A)(6)
10-18-16

RESOLUTION NO. _____

RESOLUTION DIRECTING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO DEVELOP AND IMPLEMENT, IF FEASIBLE, A RETIREMENT BENEFIT PLAN BY JANUARY 1, 2017 FOR REEMPLOYED RETIREES WHO ARE INELIGIBLE FOR ENROLLMENT IN THE FLORIDA RETIREMENT SYSTEM AND PROVIDE A REPORT

**WHEREAS,** Miami-Dade County provides retirement benefits to its employees by participating in the Florida Retirement System (FRS); and

**WHEREAS,** the Florida Legislature has recently enacted changes to FRS that have eliminated the ability for employees to draw both a public salary and a public pension; and

**WHEREAS**, as a result of these changes, retired employees who have been rehired ("reemployed retirees") are not eligible to renew their membership in FRS regardless of whether they are collecting retirement benefit payments; and

**WHEREAS**, the definition of "reemployed retirees" is broad and makes anyone who has retired and collected retirement benefits ineligible for membership in FRS; and

**WHEREAS**, as such this prohibition applies to employees who were employed for a short time by an FRS employer and obtained a distribution from their retirement plans; and

**WHEREAS**, these legislative changes have prevented retirees who become reemployed with an FRS employer from ever reenrolling in FRS; and

**WHEREAS,** such reenrollment is prevented even when such employees are well below the age of retirement and are not currently collecting retirement benefits often because they only collected modest one-time retirement benefits from obtaining a distribution from their retirement plans earlier in their careers; and

**WHEREAS,** Miami-Dade County from time to time finds it in the best interest of the public to hire such reemployed retirees in a variety of positions throughout the organization; and

**WHEREAS**, although such reemployed retiree employees are ineligible to reenroll in the FRS system, the County is still required to make contributions to the FRS Health Insurance Subsidy and Unfunded Actuarial Liability for each of the County's reemployed retirees; and

**WHEREAS,** a proposed legislative change that would have allowed employees who have not reached the retirement age and are not collecting ongoing retirement benefits to reenroll in FRS was filed for consideration during the 2016 Florida legislative session but not adopted; and

**WHEREAS,** in the interest of fairness to all employees, Miami-Dade County should establish a retirement benefit plan that will allow such employees to receive retirement benefits until such a time as state law is revised to permit reenrollment in FRS under these circumstances,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA,** that this Board:

**Section 1.** Directs the County Mayor or County Mayor's designee to develop and implement, to the extent feasible within existing fiscal resources, a retirement benefit plan to be implemented effective January 1, 2017, that will allow employees who >>have not participated in the Deferred Retirement Option Program (DROP) with any Florida Retirement System (FRS) employer,<<[1] are under the retirement age and are not collecting ongoing retirement benefits during the time they are employed with the County to make a 3 percent contribution to a retirement plan and allow for the County to provide a corresponding 3 percent matching contribution.

[1] Committee amendments are indicated as follows: Words stricken through and/or [[double bracketed]] are deleted, words underscored and/or >>double arrowed<< are added.

**Section 2.** Directs the County Mayor or County Mayor's designee to develop such plan identified in Section 1 and, if feasible, implement the plan by January 1, 2017, and pursuant to Ordinance 14-65, to provide a report to the Board describing the Mayor's plan and to place the completed report on the Board's agenda within 30 days. The report shall provide an estimate of the cost and identify the funding source from existing resources. >>The report shall also provide the number of employees that would be eligible for the plan established by this resolution that are not participating in DROP, as well as the number of employees who are participating in DROP.<< If the plan is not feasible within existing resources, the plan should identify options for funding the plan.

**Section 3.** Directs that the plan that may be implemented pursuant to this Resolution shall sunset and be eliminated at such time as the legislation and regulations permit reemployed retirees benefitting from the plan implemented pursuant to this Resolution to reenroll in the FRS.

The Prime Sponsor of the foregoing resolution is Commissioner Juan C. Zapata. It was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Jean Monestime, Chairman
Esteban L. Bovo, Jr., Vice Chairman

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| Bruno A. Barreiro | Daniella Levine Cava |
| Jose "Pepe" Diaz | Audrey M. Edmonson |
| Sally A. Heyman | Barbara J. Jordan |
| Dennis C. Moss | Rebeca Sosa |
| Sen. Javier D. Souto | Xavier L. Suarez |
| Juan C. Zapata | |

The Chairperson thereupon declared the resolution duly passed and adopted this 18th day of October, 2016. This resolution shall become effective upon the earlier of: (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Eric A. Rodriguez