

STORAGE NAME: h1855a.go

DATE: April 13, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
GOVERNMENTAL OPERATIONS
ANALYSIS - LOCAL LEGISLATION**

BILL #: HB 1855

RELATING TO: Tampa/Hillsborough County

SPONSOR(S): Representative Murman and others

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) GOVERNMENTAL OPERATIONS YEAS 5 NAYS 0
 - (2) COMMUNITY AFFAIRS
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This local bill conforms the City of Tampa General Employees Pension Plan to Internal Revenue Code requirements needed to continue the tax-qualified status of the General Employees' pension fund. It revises definitions of "salaries and wages" and "military service time;" adds definitions of "actuarial equivalent," "plan year," and "legal heirs;" provides for 8-year vesting and eligibility in the Deferred Retirement Option Program (DROP) for elective officers; provides for sole purpose of General Employees' Retirement Plan; limitations on amounts of benefits; required distributions; and direct rollovers.

This bill provides an effective date of upon becoming a law, except that sections 1 and 3 shall operate retroactively to January 1, 1997.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

The City of Tampa General Employees' Pension Plan does not contain certain specific provisions necessary to satisfy Internal Revenue Code requirements to continued its tax-qualified status. Ten years of service is required by the plan to vest for a retirement benefit. Elected officials are limited to eight years in office unless elected to a different position. The plan requires that you must be vested in order to enter the DROP.

C. EFFECT OF PROPOSED CHANGES:

This bill includes those provisions necessary to satisfy Internal Revenue Code (IRC) requirements to continue tax-qualified status; provides that elected officials vest after 8 years of elected service; and provides that they are then eligible for the DROP.

D. SECTION-BY-SECTION ANALYSIS:

- Section 1. Amends s. 4 of ch. 23559, L.O.F., 1945, as amended, providing a change in the definition of salaries or wages; adding the limitation requirements of the Omnibus Budget Reconciliation Act of 1993 (OBRA 1993) regarding compensation limits; adding the requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) regarding military service time; and providing definitions for "Actuarial Equivalent," "Plan Year," and "Legal Heirs", respectively.
- Section 2. Amends s. 17 of ch. 23559, L.O.F., 1945, as amended, providing 8-year vesting for elective officers to have a vested pension under the plan and be eligible for DROP.
- Section 3. Adds ss. 23, 24, 25, and 26 to ch. 23559, L.O.F., 1945, as amended; section 23 satisfies the requirement of IRC s. 401(a)(2), the "exclusive benefit" rule; section 24 satisfies the requirements regarding benefit limits of IRC ss. 415(b), (c), and (e); section 25 satisfies the requirements regarding the date by which benefit payments must commence, and certain other payment requirements of IRC s. 401(a)(9); and section 26 provides for the "direct rollover" requirements of IRC s. 401(a)(31), with the applicable definitions.

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Section 4. Provides for the repeal of all laws or parts thereof to the extent of any conflict with the foregoing.

Section 5. Provides and effective date of upon becoming a law, and provides that sections 1 and 3 shall operate retroactively to January 1, 1997.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes [x] No []

IF YES, WHEN? February 5, 2000

WHERE? St. Petersburg Times, Tampa, Hillsborough, Florida

B. REFERENDUM(S) REQUIRED? Yes [] No [x]

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached [x] No []

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached [x] No []

IV. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

None.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

None.

VI. SIGNATURES:

COMMITTEE ON GOVERNMENTAL OPERATIONS:

Prepared by:

Staff Director:

Jimmy O. Helms

Russell J. Cyphers, Jr.