

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KEY WEST, FLORIDA, AMENDING CHAPTER 46, SECTION 107 OF THE CODE OF ORDINANCES TO PROVIDE FOR A 2% ANNUAL COST OF LIVING ADJUSTMENT; TO PROVIDE FOR AN INCREASE IN THE MONTHLY BENEFIT TO \$1,000 FOR RETIREES WHO RETIRED WITH MORE THAN 20 YEARS OF SERVICE WHOSE CURRENT MONTHLY BENEFIT IS LESS THAN \$1,000; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Board of Trustees of the Key West Employees' Retirement Fund has recommended adding an annual cost of living benefit to the Plan for retirees; and

WHEREAS, the Board of Trustees of the Key West Employees' Retirement Fund has recommended an increase in benefits for retirees currently receiving less than a \$1,000 monthly benefit so that the minimum monthly benefit will be \$1,000; and

WHEREAS, the City Commission finds that this ordinance will best serve the interests of the citizens of Key West.

NOW, THEREFORE, BE IT ORDAINED by the City of Key West, Florida:

Section 1: That Section 46-107 of the Code of Ordinances is hereby amended to read as follows:

Section 46-107. – Service Retirement Benefits.

(a) A member of the retirement plan may elect to retire on a service retirement upon the attainment of retirement eligibility as defined in this section. An election to retire shall be made upon a written application, prescribed by the board. Benefits shall be effective on the date the application is approved in accordance with the administrative rules adopted by the board.

(b) A member shall be eligible for a service retirement upon the first day of the month coincident with or next following the earlier of:

- (1) The date upon which the member completes 20 years of credited service, regardless of age; or
- (2) The date upon which the member attains age 60 with five years of credited service for a half benefit and ten years of service for a full benefit.

(c) There shall be no mandatory retirement age.

(d) A normal retirement benefit shall be determined by multiplying two and thirty-five-hundredths percent of final monthly compensation by the number of years of credited service; except, that the normal retirement benefit for members retiring at age 60 with five years, but less than ten years of service, shall be determined by multiplying one and seventeen [and] one-half hundredths percent of final monthly compensation by the

number of years of credited service. Normal retirement benefits for members retiring at age 60 with ten years of service shall be based on a multiplier of two and thirty-five-hundredths percent of final monthly compensation. Effective January 1, 2006, a normal retirement benefit shall be determined by multiplying two and one-half percent of final monthly compensation by the number of years of credited service; except, that the normal retirement benefit for members retiring at age 60 with five years, but less than ten years of service, shall be determined by multiplying one and one-quarter percent of final monthly compensation by the number of years of credited service. Effective January 1, 2006, normal retirement benefits for members retiring at age 60 with ten years of service shall be based on a multiplier of two and one-half percent of final monthly compensation.

(e) A service retirement benefit shall be payable on the first day of each month. The benefit shall commence on the first day of the month coincident with or next following the member's actual retirement and shall continue until the death of the member. In the event that a member shall retire in the middle of the month, the retirement benefit shall commence on the first day of the following month, but the member shall receive credit for the partial month preceding the actual date that payment commenced.

(f) Early retirement shall be available to a member on the first day of the month coincident with or next following attainment of age 55 and the completion of ten years of credited service.

(g) The benefit shall be determined by multiplying two and thirty-five one hundredths percent of final monthly compensation by the number of years of credited service. Effective January 1, 2006, the benefit shall be determined by multiplying two and one-half percent of final monthly compensation by the number of years of credited service. This benefit shall be actuarially reduced for the number of actual years and months at which the starting date of the benefit precedes the normal retirement date. The actuarial factor employed shall be a uniform rate established by the board, with the advice of the actuary.

(h) The payment of the early retirement income shall be subject to the same conditions as normal retirement income.

(i) If a member elects early retirement, the benefit formula in effect on the early retirement date shall be applicable to the member.

(j) A member entitled to a normal or early retirement benefit shall have the right at any time prior to the date upon which the first payment is received to elect to have the benefit payable under one of the options provided in this plan. A member shall be permitted to revoke any such election and to elect a new option at any time prior to the receipt of the first payment. Each retirement option shall be the actuarial equivalent of the other retirement options available. Election of the retirement option shall be on a form prescribed by the board.

(1) *Joint and last survivor option.* A member may elect to receive a reduced benefit for life and to have 100 percent, 75 percent, 66⅔ percent, or 50 percent of such benefit continued after the member's death and during the lifetime of a designated survivor. A designated survivor may be any natural person, but need not be the spouse of the member. In the event that the designated survivor dies before the member's benefit payments begin, this option shall be canceled automatically and a retirement income shall be payable to the member as if the election had never been made.

(2) *Ten-year certain and life thereafter.* A member may elect to receive a reduced life annuity with 120 guaranteed payments. If the member shall die prior to receiving 120 payments, the remaining benefits shall be paid to the beneficiary designated by the member. In the event that no beneficiary

has been designated, the member's estate shall be the recipient of the remaining balance of payments.

(k) Effective January 1, 2006, the monthly benefit currently being received by every retiree, including disability retirees, DROP participants, joint pensioners or beneficiaries who were receiving benefits on or before January 1, 2006, is increased by two percent.

(l) Effective at the later of January 1, 2024 or following receipt of benefits or DROP entry for 5 years, there shall be an annual 2% COLA for current and future retirees including DROP members and respective beneficiaries who retire or enter the DROP on or after attaining normal retirement, who are granted a disability benefit, or for beneficiaries of members who die while an active employee who are receiving a survivorship death benefit. The 2% COLA shall be payable annually on January 1.

(m) Effective January 1, 2024, all retirees who are currently receiving a monthly benefit less than \$1,000 per month shall have their monthly benefit increased to \$1,000.

Section 2: It is the intention of the City Commission, and it is hereby ordained that the provisions of this Ordinance shall become and be made a part of the Code of the City of Key West, that the sections of the Ordinance may be renumbered or relettered to accomplish such intentions; and that the word “Ordinance” shall be changed to “Section” or other appropriate word.

Section 3: If any clause, section, or other part or application of this Ordinance shall be held in any court of competent jurisdiction to be unconstitutional or invalid, such unconstitutional or invalid part or application shall be considered as eliminated and shall not affect the validity of the remaining portions or applications which shall remain in full force and effect.

Section 4: All ordinances or parts of ordinances, resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 5: This Ordinance shall be effective as of _____, 2025.

Read and passed on first reading at a regular meeting held this _____ day of _____, 2025.

Read and passed on final reading at a regular meeting held this _____ day of _____, 2025.

Authenticated by the presiding officers and the Clerk of this Commission on this _____ day of _____, 2025.

Filed with the Clerk on this _____ day of _____, 2025.

DANISE HENRIQUEZ, MAYOR

ATTEST:

KERI O'BRIEN, CITY CLERK