O-21- 04

ORDINANCE NO. _____

AN ORDINANCE AMENDING AND RESTATING THE RETIREMENT SYSTEM FOR THE NON-UNIFORMED EMPLOYEES OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS, ADOPTED BY ORDINANCE NO. 8602, AS AMENDED; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, pursuant to Ordinance No. 8602, adopted January 13, 2014, the City of North Little Rock restated and amended the current Retirement System of the City of North Little Rock ("Retirement Plan" or "Plan") with a retroactive effective date of January 1, 2013, thereafter amended through the adoption of Ordinance Nos. 8870 and 8961; and

WHEREAS, the Plan is sound and a review of the Plan indicates a need for certain amendments to the Plan; and

WHEREAS, it is in the City's best interest to adopt an Amended and Restated Plan, effective January 1, 2021, to incorporate the previous amendments to the Plan, as well as the amendments to the Plan described in the Executive Summary attached hereto as Exhibit A.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That the Retirement System of the City of North Little Rock, as Amended and Restated Effective January 1, 2021 (attached hereto as Exhibit B) is hereby adopted.

SECTION 2: That the amendments to the Plan shall be in effect retroactive to January 1, 2021.

SECTION 3: That all ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 4: That the provisions of this Ordinance are hereby declared to be severable and if any section, phrase, or provision shall be declared or held invalid, such invalidity shall not affect the remainder of the sections, phrases or provisions.

SECTION 5: It is hereby found and determined that immediate passage of this Ordinance is necessary for the preservation of the public health and welfare of the citizens of the City of North Little Rock; THEREFORE, an emergency is hereby declared to exist, and this Ordinance shall be in full force and effect from and after its passage and approval.

PASSED: APPROVED:

_____ _____

Mayor Terry C. Hartwick

SPONSOR:

Terry C. Hartwick by AF

Mayor Terry C. Hartwick

ATTEST:

Diane Whitbey, City Clerk

APPROVED AS TO FORM:

Amy Beckman Fields, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/ABF

FILED 11:10 A.M. _____ P.M.

By A Fields, City Atty

DATE 1-19-21

Diane Whitbey, City Clerk and Collector
North Little Rock, Arkansas

RECEIVED BY B Taylor

EXECUTIVE SUMMARY

THE RETIREMENT SYSTEM OF THE CITY OF NORTH LITTLE ROCK

As Amended and Restated
Effective January 1, 2021

The Retirement System of the City of North Little Rock (the "Plan") was last amended and restated effective January 1, 2013 pursuant to Ordinance No. 8602, as amended by Ordinance No. 8870, effective January 1, 2017, and Ordinance No. 8961, effective January 1, 2018. In late 2020, the North Little Rock Non-Uniformed Retirement Board recommended additional amendments to the Plan. The City Attorney, Melanie Strigel, legal counsel for the Plan, and Jody Carreiro, the Plan's actuary, recommended that it was an appropriate time to adopt an amended and restated plan to incorporate the amendments to the Plan adopted by Ordinances Nos. 8870 and 8961, as well as the amendments recommended by the Retirement Board and the City's administration, and to reflect extensive recent federal legislation related to pensions. The cost of the current amendments have been included in the 2021 budget.

The following summarizes the proposed substantive revisions contained in the Retirement System of the City of North Little Rock, as amended and restated effective January 1, 2021, that is being presented for consideration by the City Council.

- Incorporate amendments made to the Plan by Ordinance No. 8870 and Ordinance No. 8961.

- Add 2.3.3(a)(2)(ii) to provide that a Member with a minimum of 30 years credited service who has attained the age of 62 years is entitled to a Normal Retirement Allowance of 2.0% of the Member's Final Average Compensation multiplied by the Member's Years of Credited Service.

- Revision to language in 2.3.4(a) to clarify benefits to be received by a Member who dies while in City Service. Deletion of the provision of Section 2.3.4 that provided benefits for minor children of Members with 10 years of credited service who are age 50 or over and do not have a surviving spouse. Added a provision that if a Member dies while in City Service with 10 years of credited service and has not attained the age of 50 or does not have a surviving spouse, that the death benefit is a lump sum payment of his vested Accumulated Contributions with Interest.

- Added subsection 2.3.7(a) to provide for a retirement allowance for a Member who exercises a lump sum option and his vested Accrued Benefit is greater than his Accumulated Contributions with Interest.

- Deleted the following provision in Section 2.3.3: "A member who is an elected official shall receive a lifetime monthly Normal Retirement Allowance equal to one-half (1/2) of his highest twelve-month Compensation, not to exceed an aggregate of $15,000.00 per annum." Vested elected officials who do not receive statutory retirement will be entitled to the same retirement benefit as other Members of the Plan.

- Changed the required distribution age in Section 2.5.14 to age 72 to comply with federal law.

EXHIBIT B

NOT AVAILABLE AT TIME OF FILING