

**ORDINANCE NO. 8607-14**

AN ORDINANCE OF THE CITY OF CLEARWATER, FLORIDA, AMENDING THE PROVISIONS OF CHAPTER 2, ARTICLE V., DIVISION 3., OF THE CITY OF CLEARWATER CODE OF ORDINANCE TO COMPLY WITH SECTION 401(a)(31)(B) OF THE INTERNAL REVENUE CODE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City is authorized and empowered to amend the Plan to comply with changes to Internal Revenue code, NOW THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CLEARWATER, FLORIDA;

Section 1: Section 2.393 as restated in Section 2.412, Division 3 of Article V. of Chapter 2, is hereby amended to read:

\* \* \* \* \*

*Compensation:*

\* \* \* \* \*

(2)d. For limitation years beginning on or after July 1, 2007, and for the purposes of applying the limits of Section 415 of the Internal Revenue Code, compensation shall mean the participant's wages, salaries, and other amount received for personal services actually rendered in the course of employment with the employer to the extent the amounts are includable in gross income, and other such amounts that are included in the definition of compensation under Treasury Regulation Section 1.415(c)-2(a). This definition of compensation shall include any amounts paid by the later of: (1) 2 ½ months after severance from employment or (2) the end of the limitation year that includes the date of severance from employment if; (a) absent a severance from employment, such payments would have been paid to the employee while the employee continued in employment with the employer and was for regular compensation for services rendered during the employee's regular working hours; or (b) compensation was paid for services outside the employee's regular working hours (such as overtime or shift differential), bonuses or other similar compensation.

Section 2.398 as restated in Section 2.424, Division 3 of Article V. of Chapter 2, is hereby amended to read:

\* \* \* \* \*

c. *Lump sum payment.* Notwithstanding anything contained in this plan to the contrary, any benefit payable under the plan on or after March 28, 2005, the actuarial lump sum present value of which is not more than ~~\$3500.00~~5,000.00, shall be paid in a lump sum as soon as practicable following the participant's termination of employment. Should the actuarial lump sum value of such payment be greater than \$1000.00, and if the distributee has not elected to have such distribution paid directly to a specified eligible retirement plan, the plan administrator shall make such payment to an individual retirement plan of a designated trustee or issuer and shall notify the distributee in writing (either separately or as part of the notice under Section 402(f) of the Internal Revenue Code) that the distribution may be transferred to another individual retirement plan.

\* \* \*

Section 2. This ordinance shall take effect immediately upon adoption.

PASSED ON FIRST READING

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PASSED ON SECOND AND FINAL  
READING AND ADOPTED

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George N. Cretekos  
Mayor

Approved as to form:

Attest:

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Matthew M. Smith  
Assistant City Attorney

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Rosemarie Call  
City Clerk