

ORDINANCE O-2025-

A BILL FOR AN ORDINANCE AMENDING SECTION 3.04.885 OF THE LONGMONT
MUNICIPAL CODE ADOPTING AN AMENDMENT TO THE CITY OF LONGMONT
POLICE PENSION PLAN AND TRUST AGREEMENT

THE COUNCIL OF THE CITY OF LONGMONT, COLORADO, ORDAINS:

Section 1

The Council finds:

Pursuant to sections 4.9 and 4.10 of the Home Rule Charter, the Longmont City Council has, by section 3.04.885 of the Longmont Municipal Code, previously adopted certain pension plans and trust agreements for City employees promulgated by the City and its pension attorneys; and

The City, in consultation with the City Attorney's Office and its pension attorneys, has amended the City of Longmont Police Pension Plan and Trust Agreement; and

The Council has determined to adopt the amendments to the City of Longmont Police Pension Plan and Trust Agreement now before the Council.

Section 2

In this Ordinance, ellipses indicate material not reproduced as the Council intends to leave that material in effect as it now reads.

Section 3

The Council approves and authorizes execution of the amendments of the City of Longmont Police Pension Plan and Trust Agreement as described herein.

1 Section 4

Effective January 1, 2025, the Council amends Article V of the City of Longmont Police Pension Plan and Trust Agreement by adding the italicized language and deleting the struck language to read as follows:

5 . . .

6 Section 5.5 Vesting of Participants' Interests.

7 . . .

d. Forfeitures. Any portion of the interest of a Participant which shall not have become vested in accordance with the provisions of this Section 5.5 shall be a forfeitable interest. A Participant shall forfeit his or her forfeitable interest on the date on which he or she terminates his or her employment except as a result of retirement, Total Disability, Total Disability Incurred in the Line of Duty, or death. Any forfeiture, including earnings thereon, and any forfeitures returned by the FPPA, shall be applied ~~either~~ to pay the expenses of maintaining the Plan or, *once applicable Plan expenses have been paid*, applied to reduce the next contribution or contributions of the Employer at the discretion of the Employer. Forfeitures shall not increase the interest of any Participant and shall be applied as soon as possible, but not later than 12 months following the close of the Plan Year in which the forfeitures were incurred.

20 Section 5

Effective January 1, 2025, the Council amends Article VII of the City of Longmont Police Pension Plan and Trust Agreement by adding the italicized language and deleting the struck language to read as follows:

1 Section 7.3 -- Time of Distribution.

$$2 \qquad \qquad \qquad \dots$$

b. Distribution Upon Death. If a Participant dies, his or her interest shall be distributable to his or her Beneficiary determined pursuant to Article VI above, commencing no later than sixty (60) days after the close of the Plan Year in which the Participant's death occurs *or if later, when the Plan is notified of the death*, in a manner determined pursuant to Section 7.4 below.

8 . . .

9 Section 7.4 -- Manner of Distribution.

$$0 \qquad \qquad \qquad \dots$$

c. Special Rules for Distributions After the Participant's Death. Whenever an amount becomes distributable after a Participant's death, it shall be subject to the following rules:

~~(i) Distribution of the remaining interest of the Participant shall be completed within five (5) years after the Participant's death unless distribution commenced prior to the Participant's death over a term certain in compliance with the limitations set forth in subsection b. of this Section. If distribution of a Participant's interest did not commence prior to his or her death, and distribution is to be made to the Participant's surviving spouse, distribution must be made over a period not longer than the life expectancy of the surviving spouse and in all events must be completed no later than five years after the death of the surviving spouse.~~

(ii) If a Participant should die after receiving some part, but not all, of his or her account, the remaining balance thereof shall be distributed to his or her Beneficiary

1 in a manner determined pursuant to this Section 7.4. If the Beneficiary of the
2 Participant should die, cease to exist or disclaim his or her interest prior to the
3 completion of distribution of the Participant's interest, the remaining distribution
4 shall be made to the contingent Beneficiary designated by the Participant, if any. If
5 any contingent Beneficiary should die, cease to exist or disclaim his or her interest,
6 distribution of the remainder of the Participant's interest shall be made to the next
7 contingent Beneficiary. In the event there is not a Beneficiary or contingent
8 Beneficiary designated by the Participant to receive distribution of the Participant's
9 interest, the Participant's interest shall be distributed in a manner determined
10 pursuant to this Section 7.4 to the recipient determined pursuant to Article VI
11 above.

12 (iii) Distribution to IRA of Nonspouse Beneficiary. A Participant's nonspouse
13 Beneficiary may elect payment of any portion of the deceased Participant's account
14 in a direct trustee to trustee transfer to a individual retirement account or annuity
15 described in section 402(c)(8)(B)(i) or (ii) of the Code that is established to receive
16 the Plan distribution on behalf of the Beneficiary. For purposes of this section, a
17 trust maintained for the benefit of one or more designated beneficiaries may be the
18 Beneficiary to the extent provided in rules prescribed by the Secretary of Treasury.
19 If the Participant dies after the Participant's required beginning date as defined in
20 section 7.5.e, the required minimum distribution in the year of death may not be
21 transferred according to this section. The requirements of section 402(c)(11) of the
22 Code apply to distributions under this subsection.

23 Section 7.5 -- Minimum Distribution Requirements.

...

b. Time and Manner of Distribution.

(1) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date, as defined in Section 7.5.e.

(2) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(a) Spouse Beneficiary. *Effective January 1, 2024, if the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, as defined in Section 7.5.e., then, distributions to the surviving Spouse will begin by the later of: December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the surviving Spouse Participant would have attained the applicable age as defined in Code section 401(a)(9)(C)(v), as provided under Code section 401(a)(9) and the related regulations. Notwithstanding the foregoing, the date on which the distributions are required to begin under this Section 7.10(b)(ii)(A) shall not be earlier than the December 31 of the calendar year immediately preceding the year in which the Participant would have attained the applicable age as defined in Code section 401(a)(9)(C)(v) if later.*

(b) Non-Spouse Beneficiary. If the Participant's surviving Spouse is not the Participant's sole Designated Beneficiary, as defined in Section 7.5.e, then, distributions to the Designated Beneficiary, as defined in Section 7.5.e, the

1 *Participant's entire interest will be distributed by December 31 of the calendar*
2 *year containing the tenth anniversary of the Participant's death.*~~will begin by~~
3 ~~December 31 of the calendar year immediately following the calendar year in which~~
4 ~~the Participant died.~~

5 (c) No Designated Beneficiary. If there is no Designated Beneficiary, as
6 defined in Section 7.5.e, as of September 30 of the year following the year of the
7 Participant's death, the Participant's entire interest will be distributed by December
8 31 of the calendar year containing the fifth anniversary of the Participant's death.

9 (d) Surviving Spouse Dies Prior to Receiving Benefits. If the Participant's
10 surviving Spouse is the Participant's sole Designated Beneficiary, as defined in
11 Section 7.5.e, and the surviving Spouse dies after the Participant but before
12 distributions to the surviving Spouse begin, this Section 7.5.b(2), other than Section
13 7.5.b(2)(a), will apply as if the surviving Spouse were the Participant.

14 For purposes of this Section 7.5.b(2) and Section 7.5.d, unless Section 7.5.b(2)(d)
15 applies, distributions are considered to begin on the Participant's Required
16 Beginning Date, as defined in Section 7.5.e. If Section 7.5.b(2)(d) applies,
17 distributions are considered to begin on the date distributions are required to begin
18 to the surviving Spouse under Section 7.5.b(2)(a). If distributions under an annuity
19 purchased from an insurance company irrevocably commence to the Participant
20 before the Participant's Required Beginning Date, as defined in Section 7.5.e (or to
21 the Participant's surviving Spouse before the date distributions are required to begin
22 to the surviving Spouse under Section 7.5.b(2)(a)), the date distributions are
23 considered to begin is the date distributions actually commence.

...

d. Required Minimum Distributions After Participant's Death.

(1) Death On or After Date Distributions Begin.

a. Participant Survived by Designated Beneficiary. If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, as defined in Section 7.5.e, the minimum amount that will be distributed for each Distribution Calendar Year, as defined in Section 7.5.e, after the year of the Participant's death is the quotient obtained by dividing the Participant's Account Balance, as defined in Section 7.5.e, by the longer of the remaining Life Expectancy, as defined in Section 7.5.e, of the Participant or the remaining Life Expectancy, as defined in Section 7.5.e, of the Participant's Designated Beneficiary, as defined in Section 7.5.e, determined as follows:

(i) The Participant's remaining Life Expectancy, as defined in Section 7.5.e, is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary, as defined in Section 7.5.e, the remaining Life Expectancy, as defined in Section 7.5.e, of the surviving spouse is calculated for each Distribution Calendar Year, as defined in Section 7.5.e, after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For Distribution Calendar Years, as defined in Section 7.5.e, after the year of the surviving Spouse's death, the remaining Life Expectancy, as defined in Section 7.5.e, of the surviving Spouse is calculated using the age of the surviving spouse as of the spouse's

1 birthday in the calendar year of the spouse's death, reduced by one for each
2 subsequent calendar year. *Effective January 1, 2024, Life Expectancy for the*
3 *surviving Spouse will be computed using the Uniform Life Table as set forth in*
4 *Treasury Regulation section 1.401(a)(9)-9.*

5 (iii) If the Participant's surviving Spouse is not the Participant's sole
6 Designated Beneficiary, as defined in Section 7.5.e, the Designated Beneficiary's
7 remaining Life Expectancy, as defined in Section 7.5.e, is calculated using the age
8 of the Beneficiary in the year following the year of the Participant's death, reduced
9 by one for each subsequent year.

10 b. No Designated Beneficiary. If the Participant dies on or after the date
11 distributions begin and there is no Designated Beneficiary, as defined in Section
12 7.5.e, as of September 30 of the year after the year of the Participant's death, the
13 minimum amount that will be distributed for each Distribution Calendar Year, as
14 defined in Section 7.5.e, after the year of the Participant's death is the quotient
15 obtained by dividing the Participant's Account Balance, as defined in Section 7.5.e,
16 by the Participant's remaining Life Expectancy, as defined in Section 7.5.e,
17 calculated using the age of the Participant in the year of death, reduced by one for
18 each subsequent year.

19 (2) Death Before Date Distributions Begin.

20 a. Participant Survived by Surviving Spouse. If the Participant dies before the
21 date distributions begin and the Participant's surviving Spouse is the Participant's
22 Designated Beneficiary, the minimum amount that will be distributed for each
23 Distribution Calendar Year, as defined in Section 7.5.e, after the year of the

Participant's death is the quotient obtained by dividing the Participant's Account Balance, as defined in Section 7.5.e, by the remaining Life Expectancy, ~~as defined in Section 7.5.e,~~ of the Participant's *surviving spouse* ~~Designated Beneficiary, as defined in Section 7.5.e,~~ determined as provided in Section 7.5.d(1).

b. No Designated Beneficiary. If the Participant dies before the date distributions begin and there is no Designated Beneficiary, as defined in Section 7.5.e, as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

c. Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin. If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, as defined in Section 7.5.e, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section 7.5.b(2)(a), this Section 7.5.d(2) will apply as if the surviving spouse were the Participant.

d. Participant Survived by Designated Beneficiary. If the Participant dies before the date distributions begin and the Participant's sole Designated Beneficiary is not his Spouse as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the 10th anniversary of the Participant's death.

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3.04.885 Pension plans adopted by reference.

A. The City of Longmont Police Pension Plan and Trust Agreement, as amended and restated effective January 1, 1997, and as amended by the first amendment, effective January 1, 2001, and as amended and restated effective January 1, 2001, and as amended and restated effective January 1, 2002, and as amended by the first amendment, effective January 1, 2003, and as amended and restated effective January 1, 2006, and as amended and restated effective January 1, 2007, and as amended effective January 1, 2008, by Ordinance No. 2008-09, and as amended effective January 1, 2008, by Ordinance No. 2008-93; and again as amended effective January 1, 2012, by Ordinance No. O-2011-92; and as amended effective January 1, 2013; and as amended and restated effective January 1, 2014; and as amended and restated effective January 1, 2015; and as amended effective November 10, 2021; and as amended effective December 27, 2021; and as amended effective January 1, 2020, January 1, 2022, and January 1, 2024 by Ordinance O-2024-11; *and as amended effective January 1, 2024 and January 1, 2025 by Ordinance O-2025-13.*

10

1 Section 7

2 To the extent only that they conflict with this ordinance, the Council repeals any conflicting
3 ordinances or parts of ordinances. The provisions of this ordinance are severable, and invalidity of
4 any part shall not affect the validity or effectiveness of the rest of this ordinance.

5 Introduced this _____ day of _____, 2025.

6 Passed and adopted this _____ day of _____, 2025.

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10 _____
11 MAYOR

12
13 ATTEST:

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16 _____
17 CITY CLERK

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19
20 NOTICE: THE COUNCIL WILL HOLD A PUBLIC HEARING ON THIS ORDINANCE AT
21 7:00 P.M. ON THE _____ DAY OF _____, 2025, AT THE LONGMONT CITY
22 COUNCIL MEETING.

23
24 APPROVED AS TO FORM:

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26
27 _____
28 ASSISTANT CITY ATTORNEY

29 _____
30 DATE

31
32 _____
33 PROOFREAD

34 _____
35 DATE

36
37 APPROVED AS TO FORM AND SUBSTANCE:

38
39 _____
40 ORIGINATING DEPARTMENT

41 _____
DATE

CA File: 25-003298