



Legislation Text

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Limited Participant Reentry--General Employees' Pension Plan

On June 24, 1985, a Resolution was passed which gave certain employees a "one-time only" option to reenter the General Plan. The employees were required to make their decisions and execute the necessary documents within a thirty (30) day period. For a number of years, several of these limited participants have desired to "reenter" the plan and again earn eligible service. These employees currently have employer contributions made to either the deferred compensation or defined contribution plans.

In 1996 our pension ordinances were revised to limit participation, i.e., employer contributions into the deferred compensation and defined contribution plans to Charter Officers, or a position designated by the City Manager. These changes were made because it is management's belief that the defined benefit pension plans are most appropriate for all employees other than Charter Officers and certain positions designated by the City Manager. This recommended pension revision is another step toward the goal of having all employees except those stated above in defined benefit plans.

Additionally, we are planning to review the possibility of allowing all eligible employees an option to enter and earn eligible service in the General Employees' Pension Plan and/or for all employees to "buy back" service at the actuarial value so that there is no impact on the Plan. We will keep the Commission informed on the results of the review.

As shown on the attached actuarial impact statement, there is an increase in the employer contribution rate from 2.90% to 2.95%. This increase is offset by eliminating the 10% contributions currently made by the City for these employees into the deferred compensation and defined contribution plans.

The City Commission: 1) receive the attached actuarial impact statement; 2) authorize the City Attorney to draft the necessary ordinance revision(s) to allow limited participants with ten (10) or more years of credited service in the General Employees' Pension Plan an option to once again earn eligible service in the General Employees' Pension Plan in lieu of receiving employer contributions into a defined contribution or deferred compensation plan; and 3) instruct the Clerk of the Commission to advertise the ordinance revision.