

CITY PROPOSAL – RETIREMENT BENEFITS FOR NEW EMPLOYEES

Proposed Language:

Social Security

Any Full-Time employees hired on or after January 1, 2012, shall be ineligible for a defined benefit plan.

Any Full-Time employees hired on or after January 1, 2012, shall contribute to Social Security. The City and employees shall make contributions every pay period as determined by the Social Security Administration.

Any Full-Time employee includes any employee who is hired or otherwise placed into a full-time position with the City on or after January 1, 2012, including, but not limited to, those who are reinstated or rehired. Any former employee who is hired or otherwise placed into a full-time position with the City on or after January 1, 2012, and who had previously earned retirement service credit as described in the Federated City Employees' Retirement System, shall be eligible to earn retirement benefits only as described above for service on or after January 1, 2012.

Defined Contribution

Any full-time employees hired on or after January 1, 2012, who enroll and participate in the City's 457 Deferred Compensation Plan shall be eligible to receive a City contribution into the individual retirement account (457 Deferred Compensation Plan) as follows:

- The City will match the employee contributions made into the 457 Deferred Compensation Plan, each pay period, but shall not exceed one percent (1%) of the employee's base salary. The City will match the employee's contributions into the individual retirement account as defined above and shall not provide a match for any Catch-Up contribution amounts, provided under the Internal Revenue Service. The City and employee contributions shall not exceed the maximum amount, as determined by the Internal Revenue Service.
- The contributions made by the City shall be deposited into the employee's individual retirement account under the City's 457 Deferred Compensation Plan. The employee shall be responsible for managing the contributions made by the employee and the City.

Employee Contributions

- Employee contributions vest immediately on behalf of the employee.

Employer Contributions

- Employer matching contributions vest on behalf of the employee after five (5) years of continuous employment with the City.

Any full-time employees hired on or after January 1, 2012, who does not enroll and participate in the City's 457 Deferred Compensation Plan shall not be eligible to receive any amount or contribution from the City.

Rights

This does not create any vested right to the benefits provided hereunder on the part of any Employee, Retiree or any other person. These benefits may be amended or terminated at any time, in full or in part, by the City in its sole discretion.