

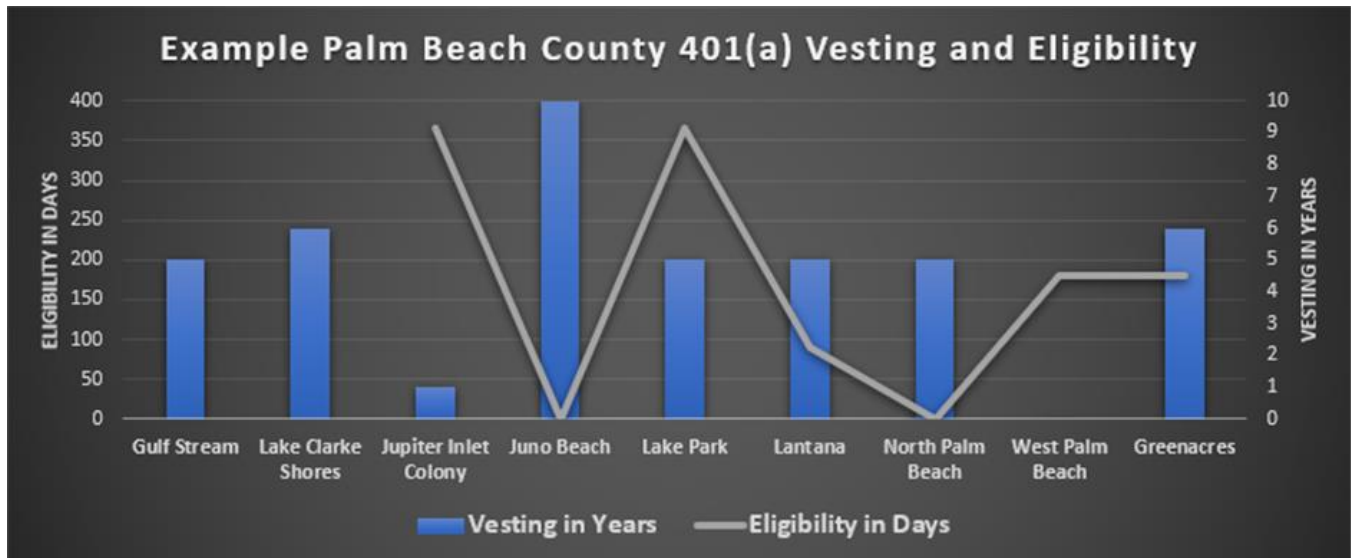


Meeting Name: Town Council Meeting
Meeting Date: August 28, 2024
Prepared By: D. Dyess, Town Manager
Item Title: Resolution No. 2024-17 - Revised Employees 401 Plan

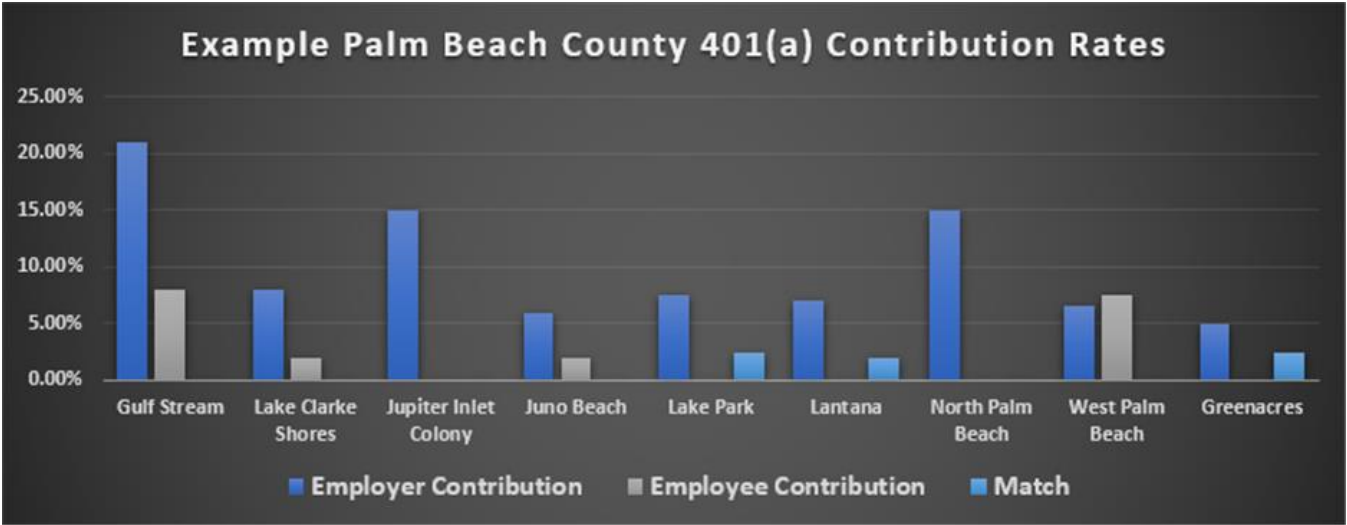
DISCUSSION:

After evaluating retirement plans and comparisons to surrounding municipalities who use a 401 plan, I discovered that the Town of Juno Beach is not competitive with our counterparts. Most that use the Florida Retirement System have defined benefit options and are not market based. They require a more significant contribution for their plans. Our police department and two grandfathered general employees are in the Florida retirement system where the remainder of staff is in the 401 plan.

Juno Beach requires 10 years of employment before 100% vesting in the plan, which is much longer than our neighbors, who average at 5 years until vested:



Our current contribution rate is 6% with a mandatory 2% contribution from the employee. Our neighbor’s average is 10% when the match is added with some as high as 15%:



Therefore, amending the Defined Contribution Plan and Trust to change the employer non-elective contribution rate for all participating employees from 6% to 8% and to shorten the vesting schedule to provide that an employee is 0% vested until reaching his or her fifth anniversary of employment with the Town and thereafter becoming 100% vested. This amendment also allows designated Roth contributions and adds a loan provision from the employees personal 457 account (Deferred Contribution).

RECOMMENDATION:

Staff recommends that the Town Council make a motion to approve proposed Resolution No. 2024-17 – Revised Employees 401 Plan.