

Presented by: The Manager
Presented: 06/17/2024
Drafted by: R. Palmer III

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 3067vHRC

A Resolution Amending the City and Borough of Juneau Personnel Rules.

WHEREAS, the Assembly has adopted personnel rules in accordance with CBJC 44.05.050; and

WHEREAS, the personnel rules apply to non-represented employees of the City and Borough of Juneau and to represented employees when the collective bargaining agreement does not apply; and

WHEREAS, the personnel rules occasionally should be updated to reflect modern human resources practices or to address recruitment and retention needs; and

WHEREAS, the personnel rules were amended in 2023 to reflect a new voluntary retirement benefit to eligible CBJ employees in the State of Alaska Public Employee Retirement System (PERS) Tier 4 Defined Contribution Retirement plan; and

WHEREAS, the personnel rules should be amended to provide further clarity to this benefit program.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. The Assembly of the City and Borough of Juneau approves and hereby modifies the Personnel Rules to reflect the language below.

18 PR 075. Deferred Compensation Employee Benefit.

The CBJ offers a Deferred Compensation plan under IRC Section 457(b), under which payment of compensation may be deferred, to all eligible employees. Additionally, t
he CBJ offers a deferred compensation benefit employer matching contribution for employees enrolled in the State of Alaska Public Employees Retirement System (PERS) Tier 4 Defined Contribution Retirement plan. The intent of the benefit is to match \$1.00 in an employer funded 401(a) plan account for every \$2.00 of employee contribution into a 457(b) plan account in a manner that grows with the employee's total length of service with the CBJ.
This benefit is subject to yearly Assembly appropriation.

(a) The CBJ provides an escalating employer match into a separate 401(a) retirement account to an employee contribution into the CBJ deferred compensation plan based on years of service, as follows:

<u>Years of Service</u>	<u>Voluntary 457(b) Employee Contribution Eligible for Employer Match</u>	<u>Employer 50% Matching Contribution to 401(a)</u>
<u>0 – 1.99 years</u>	<u>up to 2% of wages</u>	<u>up to 1% match</u>
<u>2 – 4.99 years</u>	<u>up to 4% of wages</u>	<u>up to 2% match</u>
<u>5 – 9.99 years</u>	<u>up to 6% of wages</u>	<u>up to 3% match</u>
<u>10 years and longer</u>	<u>up to 8% of wages</u>	<u>up to 4% match</u>

- ~~1. 0-2 years: Employer matching contribution of 50% of an employee's voluntary contribution up to 2% of that employee's wages~~
- ~~2. 2-5 years: Employer matching contribution of 50% of an employee's voluntary contribution up to 4% of that employee's wages~~
- ~~3. 3-5-10 years: Employer matching contribution of 50% of an employee's voluntary contribution up to 6% of that employee's wages~~
- ~~4. 4-10+ years: Employer matching contribution of 50% of an employee's voluntary contribution up to 8% of that employee's wages~~

(b) Vesting for the employer match is as follows based on years of service after the start of the match plan:

1. 20% after 1 year ~~years~~
2. 40% after 2 years
3. 60% after 3 years
4. 80% after 4 years
5. 100% after 5 years
6. Those who reach the age of fifty-nine and a half (59 and ½) will automatically be vested at 100% regardless of years of service.
7. If a rehired CBJ employee previously cashed out their 401(a) matching account, their vesting time will be restarted with reemployment.

(c) Everyone has a unique tax situation and employees should consult their tax professional for advice about the tax implications of this benefit.

(d) The employee contribution to the deferred compensation plan and the employer match are subject to annual contribution limits as outlined by the Internal Revenue Service (IRS).

75 At the end of each calendar year, the CBJ may audit matching employer payments to ensure
76 that the employee achieves the appropriate matching contribution for the calendar year.
77

78 (e) CBJ employees who are in the State of Alaska PERS Defined Benefit Retirement plans
79 (Tiers 1, 2, and 3) are eligible to participate in the CBJ deferred compensation plan without
80 the employer matching contributions outlined in this section. (*Res. 3028, 2023*)

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82 **Section 2. Effective Date.** This resolution shall be effective immediately after its
83 adoption.
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85 Adopted this _____ day of _____ 2024.

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88 Beth A. Weldon, Mayor

88 Attest:

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92 Elizabeth J. McEwen, Municipal Clerk
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