

RESOLUTION NO. 27-2024 OF THE CITY OF LAKE WORTH BEACH, FLORIDA,
AUTHORIZING AN AMENDMENT TO THE CITY OF LAKE WORTH BEACH
(FPDP) 401(a) PLAN CONCERNING EMPLOYEE CONTRIBUTIONS; REPEAL
OF CONFLICTS; PROVIDING A SEVERABILITY CLAUSE, AN EFFECTIVE DATE
AND FOR OTHER PURPOSES

WHEREAS, the City, as the sponsoring employer, established a tax-qualified retirement plan in 2010 for the benefit of eligible employees, which plan has been amended from time to time and is currently referred to as the City of Lake Worth Beach (FPDP) 401(a) Plan ("Plan"); and

WHEREAS, the Plan currently allows, but does not require, eligible employees to make a one-time, irrevocable election to defer a portion of their Plan compensation on a pre-tax basis to the Plan, which contribution type is referred to as a "Pick-Up Contribution"; and

WHEREAS, to comply with current guidance from the Internal Revenue Service ("IRS") concerning tax-qualification requirements, an employee's one-time, irrevocable election to make a Pick-Up Contribution must be made on or before the employee is first eligible to participate in any plan of the employer ("Pick-Up Contribution Election"); and

WHEREAS, given the complexity of administering the Pick-Up Contribution Election process and the low utilization of the Pick-Up Contribution feature by eligible employees, the Pick-Up Contribution feature is no longer a desirable plan design feature; and

WHEREAS, it has been proposed that the City amend the Plan, effective August 18, 2024, to provide that (i) no additional Pick-Up Contributions will be made to the Plan by any eligible employee with respect to compensation earned on or after August 18, 2024, and (ii) all current eligible employees and future eligible employees will have the opportunity to make revocable, after-tax employee contribution elections; and

WHEREAS, the proposed changes to the Plan are contained in an amendment and restatement of the Plan's governing document in the form of the Adoption Agreement with Addendum attached hereto as **Exhibit "A"** and the underlying base plan document referenced therein (collectively, the "Amendment").

NOW THEREFORE BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE WORTH BEACH, FLORIDA, that:

Section 1. The foregoing recitals are hereby ratified and confirmed as being true and correct and are hereby made a specific part of this resolution.

Section 2. It is hereby declared that the Amendment is authorized and approved, effective August 18, 2024, to enhance the design and administration of the Plan.

Section 3. The interim City Manager is hereby directed to execute, or to cause his designee to execute, the Amendment in the form attached hereto as Exhibit "A".

Section 4. The interim City Manager, or his designee, is hereby directed to execute any and all other instruments, documents, and certifications necessary to effectuate this resolution.

Section 5. The City's Human Resources and Finance departments are hereby directed to take all other actions and steps necessary to implement the Amendment.

Section 6. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

Section 7. If any provision of this resolution or the application thereof to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of this resolution which can be given effect without the invalid provision or application and to this end the provisions of this resolution are declared severable.

Section 8. This resolution shall become effective upon adoption.

The passage of this resolution was moved by Commissioner _____, seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

- May Betty Resch
- Vice Mayor Sarah Malega
- Commissioner Christopher McVoy
- Commissioner Mimi May
- Commissioner Reinaldo Diaz

The Mayor thereupon declared this resolution duly passed and adopted on this ____ day of August, 2024.

LAKE WORTH BEACH CITY COMMISSION

By: _____
Betty Resch, Mayor

ATTEST:

Melissa Ann Coyne, City Clerk