



TOWN OF PALM BEACH

People & Culture Department

MEMORANDUM

TO: Howard Brezak, Relationship Manager
Via: Kirk Blouin, Town Manager
CC: Carolyn Stone, Deputy Town Manager
FROM: Gillian Barth, Director of People & Culture

RE: Town of Palm Beach, Defined Contribution (DC) Plan
DATE: May 14, 2024

The Town Council of the Town of Palm Beach has adopted Resolution No. 051-2024 (as attached), approving changes to the Town's defined contribution plan (MissionSquare Retirement Governmental Profit-Sharing Plan & Trust -- Plan #106397), as more specifically described below. We request that this memo be included as an addendum to the Governmental Profit-Sharing Plan & Trust Adoption Agreement for noted sections within that Agreement as follows:

A. Benefit Groups

Effective June 1, 2024, the following groups of employees are eligible to participate in the Town's Defined Contribution (DC) plan:

- Police officers employed by the Town as of May 31, 2024 who are participants in the DC plan on that date.
- Non-union Firefighters employed by the Town as of May 31, 2024 who are participants in the DC plan on that date.
- Union Firefighters employed by the Town as of May 31, 2024 who are participants in the DC plan on that date.
- General employees and Lifeguards employed by the Town as of May 31, 2024 who are participants in the hybrid DB/DC plan on that date.
- General employees and Lifeguards who make an irrevocable election on or after June 1, 2024 to participate in the hybrid DB/DC plan. Such an election must be made within 60 days of the employee's date of hire and shall be retroactive to the employee's date of hire.
- Police officers and non-union Firefighters who make an irrevocable election on or after June 1, 2024 to participate in the DC plan in lieu of the Town's Defined Benefit (DB) plan. Such an election must be made within 60 days of the employee's date of hire and shall be retroactive to the employee's date of hire.
- Union Firefighters who make an irrevocable election on or after June 1, 2024 to participate in the DC plan in lieu of the Town's Defined Benefit (DB) plan upon agreement with the firefighters' union. Such an election must be made within 60 days of the employee's date of hire and shall be retroactive to the employee's date of hire.
- General employees and Lifeguards who make an irrevocable election on or after June 1, 2024 to participate in a separate DC plan in lieu of the Town's hybrid DB/DC plan. Such an election must

be made within 60 days of the employee's date of hire and shall be retroactive to the employee's date of hire.

All employees in the groups listed above must be full-time or part-time working more than 1,040 hours per year.

B. Normal Retirement age

- For Police officers and non-union Firefighters: Age 55 with 1 year of credited service or 25 years of credited service
- For union Firefighters upon agreement with the Firefighters' union: Age 55 with 1 year of credited service or 25 years of credited service
- General employees and Lifeguards: Age 62 with 1 year of credited service

In-service distributions shall not be permitted.

C. Contributions

1. For General Employees and Lifeguards who participate in the Town's hybrid DB/DC retirement plan, the Town will make a mandatory contribution of 3.0% of base salary and employees will make a mandatory contribution of 3.0% of base salary (including leave payouts). An additional matching contribution from the Town of up to 2.0% will be made based on each employee's optional additional post-tax contribution of up to 2.0%.
2. For General Employees and Lifeguards who make an irrevocable election on or after June 1, 2024 to participate in the separate defined contribution plan that is NOT a part of the Town's hybrid DB/DC retirement plan, the Town will make a mandatory contribution of 10% of base salary, and employees will make a mandatory contribution of 3% of base salary (including leave payouts). The Town and employee contributions will be retroactive to the employee's date of hire.
3. Police officers and non-union Firefighters hired on or after June 1, 2024, and those hired in the 60 days immediately preceding June 1, 2024, will have the option to make an irrevocable election within 60 days of date of hire to participate in the Town's Defined Contribution plan in lieu of participating in the Town's Defined Benefit plan. Union Firefighters hired on or after June 1, 2024, and those hired in the 60 days immediately preceding June 1, 2024, will have the option to make an irrevocable election within 60 days of date of hire to participate in the Town's Defined Contribution plan in lieu of participating in the Town's Defined Benefit plan upon agreement with the Firefighters' union.
4. For Police officers, non-union Firefighters, and union Firefighters (upon agreement with the firefighters' union) who make an irrevocable election on or after June 1, 2024 to participate in the Town's Defined Contribution plan in lieu of the Town's Defined Benefit plan, the Town will make a mandatory contribution of 16% of base salary, and employees will make a mandatory contribution of 3% of base salary (including leave payouts). The Town and employee contributions will be retroactive to the employee's date of hire.

5. Notwithstanding the provisions of paragraphs (2) – (4) above, for employees in all benefit groups who are hired in the 60 days immediately preceding June 1, 2024 who make an irrevocable election on or after June 1, 2024 to participate in the separate defined contribution plan that is not part of the Town's hybrid DB/DC plan (General employees and Lifeguards) or that is in lieu of the Defined Benefit plan (police officers, union firefighters, and non-union firefighters), the Town and employee contributions will be retroactive to June 1, 2024.

D. Election window

Newly eligible employees shall be provided an election window of 60 days from the date of hire during which they may make an election to participate in the Town's Defined Contribution plan, the Town's hybrid DB/DC plan (General employees or lifeguards, or the Defined Benefit plan (Police Officers, non-union Firefighters, and union Firefighters). Such an election shall be irrevocable.

E. Vesting provisions

All employees will be 100% vested in the defined contribution plan upon completion of one (1) year of credited service.

Exhibit A

The Town Council of the Town of Palm Beach has adopted Ordinance No. 014-2024 and Resolution No. 051-2024 approving changes to the Town's Retirement Plans, effective June 1, 2024. These changes are summarized in the tables below.

Public Safety Employees

Default Retirement Plan for firefighter non-union members, firefighter union¹, and police members:

Defined Benefit Plan

Benefit Group	Normal Retirement Date	Employee contribution	Multiplier
Firefighter non-union	Age 55 with 8 years of service or 25 years of service	8.5%	3.0% for service after 06/01/24
Firefighter union ¹	Age 55 with 8 years of service or 25 years of service	8.5%	3.0% for service after 06/01/24
Police	Age 55 with 8 years of service or 25 years of service	8.5%	3.0% for service after 06/01/24

Optional Retirement Plan for public safety employees who make an irrevocable election on or after 06/1/24 to participate in the Defined Contribution Plan in lieu of the Defined Benefit plan:

Benefit Group	Normal Retirement Date	Employee Mandatory Contribution	Employer Mandatory Contribution
Firefighter non-union	Age 55 with 1 year of service or 25 years of service	3%	16%
Firefighter union ¹	Age 55 with 1 year of service or 25 years of service	3%	16%
Police	Age 55 with 1 year of service or 25 years of service	3%	16%

¹ Effective upon agreement with the firefighters' union

Lifeguard and General Employees

Default Retirement Plan for all lifeguards and general employee members:

Hybrid Plan (Defined Benefit + Defined Contribution)

Total mandatory employee contribution: 6.5%

Benefit Group	Defined Benefit Plan		Defined Contribution Plan			
	Normal Retirement Date	Employee Contribution	Employee Mandatory Contribution	Employer Mandatory Contribution	Employee Voluntary Contribution	2% Matching Contribution
Lifeguard	Age 62	3.5%	3.0%	3.0%	Voluntary up to maximum allowed under IRS regulations	Employee may contribute up to 2.0% (with matching employer contribution)
General	Age 62	3.5%	3.0%	3.0%	Voluntary up to maximum allowed under IRS regulations	Employee may contribute up to 2.0% (with matching employer contribution)

Optional Retirement Plan for employees who make an irrevocable election on or after 06/01/24 to participate in a Separate Defined Contribution Plan (in lieu of the Hybrid plan):

	Normal Retirement Date	Employee Mandatory Contribution	Employer Mandatory Contribution
Lifeguard	Age 62	3%	10%
General	Age 62	3%	10%