

# TOWN OF PALM BEACH

Information for Town Council Meeting on: April 9, 2024

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To: Mayor and Town Council

Via: Kirk Blouin, Town Manager

From: Gillian Barth, Director of People & Culture

Re: Revised Town of Palm Beach Pension Plan Ordinance

Date: March 29, 2024

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## **STAFF RECOMMENDATION**

That the Town Council approve the attached Ordinance No. 014-2024 based upon the approval of Management's proposal for changes to the Town of Palm Beach Pension Plan at the Town Council Meeting of March 12, 2024.

## **GENERAL INFORMATION**

At its meeting on March 12, 2024, the Town Council approved recommendations made by Management to make changes in the Town's Pension Plan as follows:

- Increase of Public Safety Defined Pension Multiplier from 2.75 to 3.0 prospectively
- Increase of General and Lifeguard Staff Defined Pension Multiplier from 1.7 to 2.0 prospectively
- Reduce Defined Pension vesting period from ten years to five years for General/Lifeguard Staff and to eight years for Public Safety
- Reduce Defined Contribution Plan vesting from ten years to one year prospectively
- Increase DROP period from five years to eight years
- In addition to current hybrid pension model, offer new General employees option of fully Defined Contribution Plan (401a) in lieu of hybrid model. Public Safety employees will have the option of either a Fully Defined Pension or a Defined Contribution (401a).
- Revise retirement eligibility to match FRS for Public Safety personnel (age 55 if vested or 25 years of service)

These approved changes were subsequently endorsed by the Retirement Board at its meeting on March 22, 2024.

The attached Ordinance outlines those changes as appropriate.

## **FUNDING/FISCAL IMPACT**

As presented at the Town Council Meeting of March 12, 2024, estimated at \$15,510,232 over a fifteen year period (present value of \$8.1M).

### **TOWN ATTORNEY REVIEW**

These changes have been reviewed by the Town Attorneys (Primary and Pension)

Attachments

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