



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
Regular Meeting

12-2480

TO: Honorable Mayor & Members
Fort Lauderdale City Commission

FROM: Lee Feldman, City Manager

DATE: November 20, 2012

TITLE: ORDINANCE - Amendment to the Pay Plan adding Special Pay Practices to provide for a maximum 6.13% salary differential for non-classified employees enrolled in the City's 401 (a) defined contribution plan, who were hired before August 1, 2012, and who are in the City's employ on the effective date of this ordinance

Recommendation

It is recommended that the City Commission approve an ordinance on second reading amending the Pay Plan adding Special Pay Practices to provide for a maximum 6.13% salary differential for non-classified employees hired before August 1, 2012 and participating in the 401(a) defined contribution plan and who are in the City's employ on the effective date of this ordinance.

Background

This ordinance was passed on first reading by the City Commission on November 6, 2012. These recommendations are related to resolution numbers 12-184 and 12-185 passed by the City Commission on October 2, 2012.

Resolution number 12-184 revised the City's contribution rate to the 401(a) Plan for non-classified employees effective October 1, 2012 to a rate not to exceed 27.71% of the employee's earnings. It further revised the contribution rate to the 401(a) Plan for those non-classified employees hired on or after August 1, 2012 to establish a fixed contribution rate of 9% of the employee's earnings. Additionally the resolution revised the contribution rate to the 401(a) Plan for non-classified employees hired prior to August 1, 2012 to establish a contribution rate equal to the City's normal cost component of the Annual Required Contribution (ARC) to the City's GERS at a rate not to exceed 19.89% of the employee's earnings with such revision to the contribution rate to take effect simultaneous with the effective date of an ordinance creating a special class over-ride for certain non-classified employees.

Based upon the recommendation of the City Auditor in Memo Number 11/12-23, on October 2, 2012, the City Commission passed Resolution Number 12-185 providing for a 6.13% salary differential for certain non-classified employees participating in the City's

401(a) defined contribution money purchase plan; and a 4.0% salary differential for the incumbent City Manager. The salary differentials were recommended to offset the reduction in the 401(a) contribution. The salary differential for an individual employee shall terminate when the employee vacates their current position.

Resource Impact

There is no fiscal impact associated with this action.

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