



Resolution Amending the
BENCOR 401(a) and 457(b)
Special Pay Plans

Objective:

- Authorize and ratify amendments to the City's 401(a) and 457(b) BENCOR Special Pay Plans.
- Amendments:
 - Clarifying eligible participants
 - Increasing the minimum contribution amount
 - Add provisions for DROP participants

Background:

- The BENCOR Special Pay Plan (SPP) is a retirement program that helps governmental units and covered employees, permanently save up to 7.65% of Social Security and Medicare taxes on certain forms of “special pay”.
- Adopted in 2023 by Resolution 23-R15
- Required Participants: all non-union non-sworn classified employees who, as of the effective date of this plan, do not have an existing Final Pay Deferral Plan in place.
- Policy: upon termination of employment, payout of required participant’s accumulated vacation and sick pay, of at least \$1,000, is paid directly to BENCOR 401(a) and 457(b) Special Pay Plans.

Bencor Special Pay Plan Amended:

- To include sworn, non-union classified employees, who do not have an existing Final Pay Deferral Plan in place.
- Increase minimum contribution amount to \$5,000
- To allow contributions for sick accruals to be paid into the Bencor SPP for a sworn, non-union classified employees upon entering DROP
- Allow for in-service distributions for DROP participants from their 401(a) SPP