

# FINANCE DEPARTMENT



## Goal:

- Supporting Strategic Plan Goal 7 High-Performing Government Organization
- Saving the City and employee money on taxes upon termination and payout

## Current Process:

- Employee leaves City
- Employee must take sick and vacation accruals as cash payout
- City and employee pay federal, FICA and Medicare taxes

## Revised Process:

- Employee leaves City
- Sick and vacation accruals paid into 401a plan
- City and employee do not pay federal, FICA and Medicare taxes

## Savings Example:

	Employee - Payout		City - Cost	
	Without the BENCOR Plan	With the BENCOR Plan	Without the BENCOR Plan	With the BENCOR Plan
Accumulated termination pay	\$15,000	\$15,000	\$15,000	\$15,000
Federal taxes (25%)	\$3,750	\$0	\$0	\$0
FICA (6.2%)	\$930	\$0	\$930	\$0
Medicare (1.45%)	\$217.50	\$0	\$217.50	\$0
Accumulated termination pay	\$10,102.50	\$15,000	\$16,147.50	\$15,000

- City will save 7.65% (estimated \$100,000 annually)
- Employee will save 7.65% immediately
- Employees' federal taxes will be deferred

## Who is Bencor:

- Expert in special pay plans
- Providing services to governments since 1994
- Over 400,000 participants
- Work with every school district in Florida

## Plan Facts:

- All contributions guaranteed
- Can be immediately rolled into Mission Square, left in Bencor for investment or cashed out
- Zero cost to City or employee
- Vetted by City's external auditors and legal department
- Starting with non-union, non-sworn personnel