



Recommendation for Action

File #: 22-3287, Agenda Item #: 3.

11/3/2022

Posting Language

Approve an ordinance restating and amending the Deferred Compensation Plan for City employees, providing for the creation of a tax-qualified defined contribution retirement plan, and repealing Ordinance Nos. 860814-J and 950323-D.

Lead Department

Financial Services Department.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

August 17, 2022 - Council approved Ordinance No. 20220817-014 setting Mayor and Council Member salaries and compensation; amending Ordinance No. 20150212-017; and repealing Ordinance No. 20061116-081.

For More Information:

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Additional Backup Information:

On August 17, 2022 Council approved Ordinance No. 20220817-014 which directs the City to make contributions to tax-qualified retirement plan accounts for the Mayor and each Council Member, as follows:

- (A) Contributions may be made to a City-sponsored defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code in which the Mayor and Council Members are eligible to participate, or if no such plan is in existence at the time of the contributions, then to the existing City-sponsored deferred compensation plan;
- (B) Contributions shall be made annually in a lump sum and shall be made at the time of payment for the first full City payroll period in December of each year; and
- (C) The amount of the annual contribution shall be equal to the same percentage of the individual's annual base salary at the time of the contribution as the required employee contribution percentage to the City of Austin Employee Retirement System, or a lesser amount if necessary to prevent the combined employer plus employee contributions to that plan from exceeding the maximum permissible annual contributions to that plan for that individual.

By approving this recommendation, Council is approving the amendment of the Deferred Compensation Plan for City employees, providing for the creation of a tax-qualified defined contribution retirement plan, and repealing Ordinances Nos. 860814-J and 950323-D.

Strategic Outcome(s):

Government that Works for All.