

Item 5.b.

Return of Employee Contributions (Refunds)



MEMORANDUM

TO: Board of Trustees of the City of Delray Beach Police Officers' Retirement System

FROM: Lisa Castronovo, Pension Administrator

SUBJECT: Return of Employee Contributions (Refunds)

DATE: 5/7/2024

- 1) Per direction at a prior Board meeting at which the payout of refunds was discussed, I got a list of terminated officers who owe the City money for their initial police training. Of the nine terminated officers currently due refunds, three owe the City money. *Please provide directive that I am to hold out of each of these three terminated officers' refunds the funds they owe the City. Further, if I am to hold back these funds, am I to then forward payment to the City for the amount I've withheld? See #1*
- 2) On May 1, 2024, we mailed refund forms to three non-vested ex-employees who have separated from City service but to date have not claimed the return of their employee contributions. The accompanying cover letter informed them they have until July 5, 2024, to return the forms and if they don't do so, we will mail their refund (with all applicable taxes withheld) to them at their last known address. See #2.
- 3) On May 1, 2024, we mailed refund forms to two non-vested ex-employees who have separated from City service but to date have not claimed the return of their employee contributions. The accompanying cover letter informed them they have until July 5, 2024, to return the forms and if they don't do so, we will transfer the monies due them to an IRA of our choosing. We are able to do this as per the Special Tax Notice Regarding Plan Payments document we provide each person due a refund from any of the City's three pension plans. *I need Board direction on what the "IRA chosen by the Plan Administrator" should be. See 2nd paragraph of "Other special rules" on page 8 of #3.*