

**Item 8.A.  
Return of Employee Contributions  
(Refunds)**



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# MEMORANDUM

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TO: Board of Trustees of the City of Delray Beach General Employees' Retirement Plan

FROM: Lisa Castronovo, Pension Administrator

SUBJECT: Return of Employee Contributions (Refunds)

DATE: 5/9/2024

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See attached list of non-vested ex-employees due the return (refund) of the employee contributions they made to the General Employees' Retirement Plan. The notes following address each group.

- 1) One person died in 2000. *Please advise what I should do.*
- 2) Since federal taxes do not need to be withheld from refund checks less than \$200, on April 19, 2024, without getting written consent from the recipient, I directed Salem Trust to issue refund checks to 5 people whose refund amount was under \$200.
- 3) On May 1, 2024, we mailed refund forms to 18 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 #1 for sample letter.
- 4) On May 1, 2024, we mailed refund forms to 22 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 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 #2 for sample letter and the Special Tax Notice Regarding Plan Payments (2<sup>nd</sup> paragraph under "Other special rules" on page 8).
- 5) When the refund issue was addressed at the February 2023 Committee meeting, there was discussion about amending the Ordinance to remove the language granting 3%/5% interest accumulation. *Does the Committee want Mr. Herrera to draft an amendment? See #3*
- 6) *Do I have Committee approval to engage an address search service?* The City does not use such services, but at times, I need to.