

**Item 7**  
**Administrative**

## **Item 7.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 Firefighters' Retirement System

FROM: Lisa Castronovo, Pension Administrator

SUBJECT: Return of Employee Contributions (Refunds)

DATE: 5/7/2024

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- 1) On May 1, 2024, we mailed refund forms to one non-vested ex-employee who separated from City service in 2019, but to date has not claimed his refund of employee contributions. The cover letter informed the ex-employee that he has until July 5, 2024, to return the forms and if he doesn't return them by that date, we will mail his refund (with all applicable taxes withheld) to him at his last known address. See #1.
- 2) In May 2019, the Board's legal counsel determined that since Ordinance Section 33.76(G)(1)(a) only expressly requires a non-vested member's written request to receive a refund of their employee contributions if the amount of such refund exceeds \$1,000, it is okay to issue refunds without the member's written request if the refund amount is less than \$1,000. So, in July 2020, I directed Salem Trust to issue refund checks to six members (hired and terminated in 2017, 2018, or 2019) whose refund was less than \$1,000. Since only three of them cashed their refund checks in 2020, on May 6, 2024, I directed Salem Trust to reissue refund checks (again) to the three who didn't cash their checks. See #2.
- 3) We now have six non-vested ex-employees who separated from City employment 2019 - 2023 whose refund amount is less than \$1,000. I was ready to direct Salem Trust to issue refunds until Chair Mahoney brought to my attention Chapter 175.032 6(b) which states "a firefighter may voluntarily leave his or her contributions in the fund for 5 years after leaving the employ of the fire department, pending the possibility of being rehired by the same department without losing credit..." Each of the six non-vested members now due refunds worked for the City for less than 3 weeks, so they don't have service credit to lose. My question for the Board is can we pay out these six refunds especially considering we didn't wait 5 years to pay out refunds in 2020? See #3.