

CITY OF DOVER PROPOSED ORDINANCE #2016-10

1 **BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF DOVER, IN COUNCIL**
2 **MET:**

3 That Chapter 2 - Administration, Article IV - Officers and Employees, Division 8 - Deferred Compensation
4 Plan of the Dover Code be amended by deleting the text indicated in red strikethrough and inserting the bold,
5 blue text, as follows:

6 DIVISION 8. - **DEFERRED COMPENSATION PLAN**

7 **Sec. 2-391. - Definitions; interpretation.**

8 (a) *Terms defined.* As indicated in this division, unless the context otherwise clearly indicates or the
9 deferred compensation plans contradict, the following terms shall mean as indicated below:

10 *Eligible employee* means any person regularly employed in rendering service to the city on a
11 full-time ~~permanent~~ basis who is not participating in any retirement plan to which the city
12 contributes for them and whose compensation is paid directly by the city. An employee will be
13 considered a full-time employee if he/she regularly works ~~37½~~ **40 or more** hours each week.

14 *Participant* means any eligible employee of the city who has met all of the requirements for
15 participation in the deferred compensation plan and has, upon employment, made an irrevocable
16 election to participate in the deferred compensation plan as defined in this subsection (a) and who
17 has satisfied all the conditions and requirements set forth in this division and in the provisions of the
18 plans.

19 (Code 1981, § 2-211; Ord. of 4-25-1994; Ord. of 5-22-2000; Ord. of 6-12-2000; Ord. of 7-10-2000; Ord.
20 of 9-11-2000)

21 **Sec. 2-392. - Established; purpose.**

22 There is hereby established the city employee deferred compensation plan. The purpose of the plan is to
23 establish the basic terms and conditions under which employees shall participate in this plan. Further details,
24 terms and conditions under which retirement, termination, and survivor benefits shall be provided to eligible
25 employees are defined in the deferred compensation plan.

26 (Code 1981, § 2-212; Ord. of 4-25-1994; Ord. of 5-22-2000; Ord. of 6-12-2000; Ord. of 7-10-2000; Ord.
27 of 9-11-2000)

28 **Sec. 2-393. - Eligibility of participants.**

29 Each eligible employee not drawing any retirement benefits from the city as of May 1, 1994, who makes an
30 irrevocable decision to join the deferred compensation plan, shall, upon compliance with the provisions of
31 this division, become a deferred compensation plan participant on May 1, 1994. Thereafter, each eligible
32 employee who selects the deferred compensation plan upon employment shall become a participant in
33 accordance with the plan. **All new employees, except police officers, hired after September 28, 2009 are**
34 **required to join the defined contribution pension plan as defined in subsection 2-324.**

35 (Code 1981, § 2-213; Ord. of 4-25-1994; Ord. of 5-22-2000; Ord. of 7-10-2000)

36 **Sec. 2-394. - Contributions.**

37 (a) *Employee contributions.* For each year while a participant of the deferred compensation plan, a
38 participant shall contribute, by payroll deductions, ~~an amount equal to at least three percent a~~
39 ~~percentage~~ of his/her compensation **as defined in the deferred compensation plan**, which shall
40 be a participant's base pay, plus scheduled overtime, payment for being on-call, except those hours
41 reported for being called out, and any retroactive pay corrections which involve any one of the
42 mentioned payments, up to the legal limits as defined in the deferred compensation plan.

43 (b) *Employer contributions.* The city shall contribute an amount equal to each individual's employee
44 contributions, to a maximum ~~of six percent percentage~~ of an employee's compensation **as defined**
45 **in the deferred compensation plan**, which shall be a participant's base pay, plus scheduled
46 overtime, payment for being on-call, except those hours reported for being called out, and any
47 retroactive pay corrections which involve any one of the mentioned payments for each participant.

48 (c) *Treatment.* Treatment of contributions shall be handled in accordance with federal and state laws and
49 the applicable provisions of section 2-341 pertaining to the general employee pension plan.

50 (Code 1981, § 2-214; Ord. of 4-25-1994; Ord. of 5-22-2000; Ord. of 6-12-2000; Ord. of 7-10-2000; Ord.
51 of 9-11-2000)

52 **ADOPTED: ***

53 S:\ORDINANCES\2016\DRAFT\ORDINANCE #2016-10 CH 2 ADMINISTRATION, ART IV OFFICERS & EMPLOYEES, DIV 8 DEFERRED COMP\Ordinance #2016-10 Ch 2, Art IV, Div 8-Deferred
54 Compensation-Rev. 1-First Reading.wpd

55 **SYNOPSIS**

56 The proposed amendments will change the 401A Money Purchase Plan required
57 contributions in accordance with the DOE Collective Bargaining Agreement and the City of
58 Dover Personnel Policy (Employee Handbook), and align definitions and eligibility
59 requirements with existing policies.

60 (SPONSORS: COLE AND KOENIG)

61 Actions History

- 62 05/23/2016 - Scheduled for First Reading - City Council
63 05/10/2016 - Further Discussion - Legislative, Finance, and Administration Committee
64 04/26/2016 - Deferred by Legislative, Finance, and Administration Committee, due to time constraints
65 03/29/2016 - Deferred by Legislative, Finance, and Administration Committee for Further Discussion