

APPENDIX B

**As of January 1, 2019, all new municipal employees will be members of Plan 16.
Pension plan 16 is a hybrid Defined Benefit/ Defined Contribution plan.**

Frequently Asked Questions

- Is this a defined benefit plan?
 - A) Yes, for all earnings up to \$65,000.
- Do I contribute to this plan?
 - A) Yes, the member contribution rate is 4.21% on earnings up to \$65,000.
Exempt employees who vest in 7 years will pay an accelerated rate of 4.74%.
- How is my benefit calculated?
 - A) Your benefit is based on a percentage of your Average Final Compensation.
The average Final Compensation is the average of the members three highest annual compensations, up to and including \$65,000. You earn 2.2% of your Average Final Compensation for years 1-10 and 2% for years 11-49.
Additional annual compensation above \$65,000 is eligible for the defined contribution match portion of the plan as explained below.
- Is there a maximum credit for service?
 - A) Yes, the maximum number of years is 49.
- How long do I have to work before I am vested?
 - A) You must have 10 years of credited service to vest in Plan 16 (7 years if civil service exempt).
- At what age am I eligible to retire?
 - A) The minimum retirement age for Plan 16 is 60 years of age.
- Is there a defined contribution part to Plan 16?
 - A) Yes, the Defined Contribution portion is optional. Anyone can participate, but the City match only applies to employees with annual salaries above \$65,000.

- Does the City match my contributions to the defined contribution portion of Plan 16?
 - A) Yes, the city will match 50% of your contributions up to 1.5% of annual compensation for those with an annual salary greater than \$65,000.
- Is there a maximum contribution amount?
 - A) Yes, for 2026, the maximum employee contribution for the defined contribution portion of the plan is \$24,500, excluding the city match.
- How long does it take before the contributions are vested?
 - A) The city match contributions will vest AFTER 5 years of employment. Employee contributions vest immediately.
- What will I be eligible to receive when I retire?
 - A) You will receive a monthly pension based on the Defined Benefit portion of plan 16, and all contributions and earnings earned under the Defined Contribution portion.

Additional Tiered Contributions to be paid above the mandatory contribution rates

All Employees in Plan 16 making greater than \$45,000 are required to make additional tiered member contribution payments on their full pensionable earnings, up to the cap of \$65,000, as listed on the chart below.

Annual Salary Range	Additional Pension Contribution
\$45,000 or less	No Change
\$45,001 to \$55,000	Increase of .5%
\$55,001 to \$65,000 (cap)	Increase of 1.5%