

# Mayor and Council Communication

**DATE:** 11/28/23

**M&C FILE NUMBER:** M&C 23-1007

**LOG NAME:** 14DEATHBENEFIT2024

**SUBJECT**

(ALL) Authorize Payment to the Retired Employees' Group Death Benefit Fund in the Amount of \$696,127.00 for Fiscal Year 2024 in Accordance with Chapter 2.5, Article II of the City Code

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**RECOMMENDATION:**

It is recommended that the City Council authorize a payment to the Retired Employees' Group Death Benefit Fund in the amount of \$696,127.00 to pay for retiree death benefits for Fiscal Year 2024 in accordance with Chapter 2.5, Article II of the City Code.

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**DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to authorize a payment to the Retired Employees' Group Death Benefit Fund to provide for payment of lump-sum death benefits that are anticipated to arise during Fiscal Year (FY) 2024.

Since 1970, City ordinances have authorized payment of a lump-sum death benefit to the beneficiary of a City of Fort Worth (City) retiree upon the death of the retiree. The benefit currently provides a lump-sum payment in the amount of \$5,000.00. The Employees' Retirement Fund (ERF) Board of Trustees serves as trustee of the Retired Employees' Group Death Benefit Fund.

Chapter 2.5, Article II of the City Code requires the City to appropriate to the Retired Employees' Death Benefit Fund such amounts as may be necessary to provide the lump-sum benefit payments. Under the Code, appropriations are to be made on an as-needed basis from current revenues. Because the payment of death benefits cannot be made from pension funds, it is necessary for the City to make a payment to the Retired Employees' Group Death Benefit Fund.

The recommended amount of \$696,127.00 should cover management fees and the cost of projected death benefits to the end of FY 2024. If additional funding is needed due to a higher-than-anticipated number of retiree deaths, ERF will notify staff and the Human Resources Department will prepare an M&C to request an appropriation of additional funds.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are available in the current operating budget, as previously appropriated, in the participating departments' Operating Funds to support the approval of the above recommendation. Prior to any expenditure being incurred, the participating departments have the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:**    Jessica L. McEachern    5804

**Originating Business Unit Head:**                Dianna Giordano                7783

**Additional Information Contact:**