

Mayor and Council Communication

DATE: 09/14/21

M&C FILE NUMBER: M&C 21-0662

LOG NAME: 14RETIREEDEATHBENEFITADDITIONAL

SUBJECT

(ALL) Authorize Payment to the Retired Employees' Group Death Benefit Fund for an Additional Amount of \$100,000.00 for Payments of Retiree Death Benefits, in Accordance with Chapter 2.5, Article II of the City Code

RECOMMENDATION:

It is recommended that the City Council authorize a payment to the Retired Employees' Group Death Benefit Fund in an additional amount of \$100,000.00 to pay for retiree death benefits, in accordance with Chapter 2.5, Article II of the City Code.

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 a additional payment of lump-sum death benefits that are anticipated to rise for the remainder of Fiscal Year 2021.

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.

Unfortunately for fiscal year 2021, there have been more retiree deaths than in previous years and the death benefit fund needs an additional \$100,000.00 to pay for the anticipated deaths that may occur in September. The recommended amount of an additional \$100,000.00 should cover management fees and the cost of projected death benefits to the end of Fiscal Year 2021.

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

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 an expenditure being incurred, the participating departments have the responsibility to validate the availability of funds.

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Expedited