



Legislation Text

File #: RES 17-0001, Version: 1

ITEM TITLE:

#17-01 - Authorizing a 2017 Equal Lump-Sum Payment to All Regular Full-Time, Regular Part-Time, and Regular Seasonal Employees, as Defined in the City's Personnel Regulations, and Excluding Such Payment from Alaska Public Entity Retirement System (PERS) Eligibility. (Postponed from January 3, 2017 regular City Council meeting.)

SUBMITTED BY: Brian Carlson, Finance Director.

FISCAL NOTES:

Expenditure Required: \$250,000

Unencumbered Balance: \$250,000

Funding Source: Adopted in 2017 Budget; Pro-Rated Among All Departments

RECOMMENDATION:

Approve

SUMMARY STATEMENT:

This Resolution authorizes the 2017 lump-sum bonus payment to employees, and articulates certain criteria which will exclude the payment from PERS-eligible compensation. PERS staff informs the City that a lump-sum bonus is *ineligible* for a PERS-reporting if:

- It is not a compensation for services rendered to the City.
- It is not tied to employees' performance.
- The City of Valdez specifically indicated in their Personnel Policy ***or in another documented Resolution*** that this payment represents a bonus not eligible for contributions or reporting to the PERS system.

By excluding the payment from PERS-qualified income, the City is able to substantially lower its employer costs, thereby increasing the amount of the lump-sum payment to employees. Assuming approval of the resolution, Finance will process a **\$1,800 payment to each employee** (pro-rated for partial FTEs).