

ORDINANCE NO. 46-20

ORDINANCE AMENDING ORDINANCE 85-11 AND APPROVING THE HUMAN RESOURCES POLICIES FOR NON-UNIFORMED EMPLOYEES RELATING TO CERTAIN POLICIES

NOW, THEREFORE, BE IT ORDAINED AND ENACTED BY THE BOARD OF DIRECTORS OF THE CITY OF FORT SMITH, ARKANSAS, THAT:

SECTION 1: Section XVII, of the Human Resources Polices for Non-Uniformed Employees is amended to read as follows:

- A. The purpose of the retirement policy is to define when an employee is eligible for retirement benefits under the City provided retirement income plan including retiree medical, pharmacy, dental and vision benefits.
- B. Retirement Income Benefits. All regular full-time employees are participants in the City's retirement income plan. Retirement income benefits are provided in part by the City's contributions into a 401(a) retirement plan.

Employees are entitled to benefits from the retirement plan based on the following vesting schedule:

Years of Service Entitlement	Percentage
0 – 1 year	0%
after 1 year	20%
after 2 years	40%
after 3 years	60%
after 4 years	80%
after 5 years	100%
All employees withdrawing funds from the retirement income plan will be subject to provisions of the Internal Revenue Code.	

- C. Other Retirement Benefits. Employees are eligible to continue at their full cost, medical, pharmacy, dental and vision plan benefits if the employee meets the following criteria: The employee is fully vested in a City provided retirement income plan; and eligible to begin drawing retirement dollars from their retirement plan within sixty (60) days of separation with no penalties (as outlined by the Internal Revenue Code).
 - 1. Employees who are not eligible according to Paragraph C. will be allowed to continue benefits as provided through the provisions of COBRA.
 - 2. Employees continuing benefits as a retiree will be required to pay the full cost of the benefits.
 - 3. When a retiree reaches age sixty-five (65), all elected group insurance coverage shall cease. However, if the retired employee's covered spouse has not attained the age of sixty-five (65) years, the spouse will be eligible for elected group insurance coverage until he/she reaches the age of sixty-five (65). In addition, if the retired employee's covered dependent child has not attained the age of twenty-six (26) years, the child will be eligible for elected group insurance coverage until he/she has attained the age of twenty-six (26).

4. Employees who retire under these provisions and go to work for another employer must notify the Human Resources Department of the City. The employee must provide a letter from their employer stating his/her eligibility for health benefits at their place of employment. If the retiree is eligible for medical benefits at their place of employment, he or she will be ineligible to continue benefits under the City's medical and pharmacy plans. Failure to comply with this policy will result in cancellation of the City's medical and pharmacy benefits. If a retiree does not comply with this policy and the City determines that the retiree is working and eligible for medical and pharmacy benefits at his/her place of employment, and the retiree has failed to notify the City, the City has the right to seek all remedies allowed by law.
5. Vacation benefits will be paid at retirement according to the vacation benefit under the leave policy.
6. Accrued sick leave will be paid at retirement according to the sick leave benefit under the leave policy.

This Ordinance adopted this 2nd day of June, 2020.

APPROVED:



Mayor

ATTEST:



City Clerk

Approved as to Form



No Publication Required