REDLANDS ASSOCIATION OF DEPARTMENT DIRECTORS
ACCUMULATED BENEFIT PROGRAM

The City Council approved a Memorandum of Understanding between the City of Redlands and the Redlands Association of Department Directors on April 21, 2015, which allows members to participate in a qualified 401(a) program. On January 20, 2016, the members of the Association approved the Unit's participation in the Accumulated Benefit Conversion Program offered by Nationwide Financial.

The Association agreed that the program will apply to all members of the Unit. The City shall fund the accounts on behalf of each member in the amount of One Thousand One Hundred Twenty Five Dollars ($1125) per employee, plus two percent (2%) of salary. Upon retirement, Unit members shall deposit the cash value of vacation leave, incentive payouts, floating holidays, and executive leave to the program in the maximum amount allowable. The annual maximum contribution is currently $53,000.

Moreover, Department Directors born before January 1, 1970, will deposit 25% of their annual leave sales to the 401 (a) program. Directors born on, or after, January 1, 1970, and on, or prior to December 31, 1976, will deposit 15% of their annual leave sales to the 401 (a) program. Those directors born after December 31, 1976, will not deposit any of their annual leave sale to the 401 (a) program.

CITY OF REDLANDS

Paul W. Foster

Paul W. Foster, Mayor

2/2/2016

Date

ATTEST:

Sam Irwin, City Clerk

REDLANDS ASSOCIATION OF DEPARTMENT DIRECTORS

Mark Garcia, President