

SALES TAX REFERENDUM FREQUENTLY ASKED QUESTIONS

Q1. What is the Public Safety Sales Tax?

The Public Safety Sales Tax Referendum was passed on October 3, 2019 and raised sales tax by .5% to provide an opportunity for eligible public safety employees of the City of Memphis covered by the referendum to choose the retirement plan that best meets their needs.

Q2. What does that mean for me and my retirement plan options?

The eligible public safety employees wishing to return to the pension benefit system under the 1978 Plan have the option to do so or remain in the 2016 Hybrid Plan. The City is offering a one-time election period for eligible employee to choose the between the 1978 Plan and the Hybrid Plan.

Q3. Who is eligible to participate during the election period?

Eligible employees are active commissioned fire, paramedics and police and non-commissioned dispatchers and paramedics who were hired January 1, 2009 – June 30, 2016.

Q4. What do I need to do to make my election?

You must complete a Pension Election Form in Oracle to signify whether you elect to remain in the 2016 Hybrid Plan or return to the 1978 Pension Plan.

Q5. Can I make a change later if I am not satisfied with my election?

It is important to note that this election period is a one-time retirement benefits election process and your election cannot be changed after the election period ends. So, it is very important that you consider your choices carefully.

Q6. When is the election period?

The Pension Plan Election Period dates are January 11, 2020 to January 29, 2020?

Q7. What is the difference between the plans?

The 1978 Pension Plan is a Defined Benefit Plan. In this plan, public safety employees contribute between 6.5% to 8% of their salary depending on their date of hire and the City makes a matching contribution of no less than 6% of the public safety employee's salary. When you retire, you are entitled to receive a monthly benefit, which is a percentage of your highest 3-year average for public safety employees. This can be up to 72.5% of your salary.

The 2016 Hybrid Plan is a combination of a Defined Benefit Plan and a Defined Contribution Plan. The portion of the Hybrid Plan that is the City's Defined Benefit Plan is also known as a Market-Based Cash Balance Plan. In the Market-Based Plan, public safety employees contribute 2% of their salary and the City will contribute between 3% and 16% of a public safety employee's salary, based on your years of service.

The Defined Contribution Plan portion of the 2016 Hybrid Plan is also called a 401(a) Defined Contribution (DC) Plan. In the 401(a) DC Plan, the public safety employee contributes 6% of their salary and the City will contribute up to 1.5% for a total contribution of 7.5% of the public safety employee's salary. You, the public safety employee, decide where your 401(a) DC contributions are invested.

Q8. What resources are available to assist me with making the right decision for me?

Should you have any questions or need any additional information, our Total Rewards Team will be happy to assist you. You may contact them at 901-636-6800 or email retirementquestions@memphistn.gov.

You can also access the most up-to-date information on your election options on our Total Rewards website at website www.totalrewards@memphistn.gov.

Mass Mutual will be hosting informational sessions and one-on-one consultations in case you have some lingering questions regarding your options and its different components, especially on how to invest the money in your 401(a) accounts.

You can find this information on our Total Rewards website as well.

Q9. What happens to the money that I have already paid into the Hybrid Plan?

Your frozen legacy funds and your funds in the Hybrid plan will be moved to the 1978 Plan if you elect the 1978 Plan. You will complete a Fund Transfer Form to approve the transfer of your funds to the 1978 Plan. The Hybrid Plan funds will remain the same if you choose to remain in the Hybrid Plan.