

# CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM

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## BENEFITS COMMITTEE MINUTES

December 14, 2023

**PRESENT:** Melinda Manning - Chair, Kevin Gordon, Kim Heffernan, Sheila Simpson, Ryan Pope

**ON CALL:** Ryan Bergman

**OTHER:** Staff - Sandy Thiry, Desiré Dixon, Lisa Flowers – City council

### OFFICIAL CALL TO ORDER

Melinda Manning called the meeting to order at 8:02 a.m.

### I. MEETING MINUTES APPROVAL

Ryan Pope motioned to approve the November 9, 2023 meeting minutes as presented. Kim Heffernan seconded the motion. The motion carried unanimously.

### II. NOTEWORTHY NEWS

The go live date for meeting the Secure Act 2.0 catch up contribution provisions for employees making over \$145,000 was moved from January 2024 to January 2026. These new rules do not affect the CFRS plan.

The Public Benefit Information system which records and reports deaths to pensions and 401K plans encountered a data breach through the file transfer application they utilize. The benefits industry and plan associations (i.e., NASRA, NCPERS, etc.) recognize that there must be other sources to obtain such information. This will be a topic of discussion within the plan associations in the coming year.

Recent articles reflect some employers are considering bringing back pension plans. States such as Michigan, Kansas, and Oklahoma dropped their pension plans but are re-considering them due to employment retention and recruitment issues.

### III. FUNDING INITIATIVE

The Committee discussed the funding analysis memo submitted by Ryan Bergman. Ryan Bergman reviewed the memo with the Committee and discussed diverse options that the City could support based on a research analysis. Those options include changing the calculations from 2 years to 4 years, adjusting the retirement age (compared to NC police officers), enrolling in Social Security and increasing the employee contribution rate to be half of the normal cost. However, increased employee contributions would most likely affect both new hires and current members. Concerns were raised regarding changes to the plan could influence recruitment, however that would be a City matter and not that of the Board. Discussion included comparisons between CFRS members and other City employees about overtime and the risk of creating a plan that models the LGERS plan. Sandy will work with Ryan to request estimates from both CBIZ and Cavanaugh.

During the NAPPA conference, Lisa Flowers spoke with other legal associates and discussed the overtime issues within pension plans. It was noted that some pension plans put a percentage cap on their current pay used for determining final average salaries or define salary in a way that limits the

salary used. Any changes have been made prospectively. She noted there is no risk with new hires for changes to the plan prospectively. Lisa will do some additional research on draft language and options that may be suitable.

The Committee continued their conversation about pension benefits and the time needed to make changes. Any changes, whether legal or by the plan sponsor could take as much as 18 months.

#### **IV. NEW BUSINESS**

No new business was presented during the December BC Meeting.

Ryan Pope motioned to adjourn at 10:12 a.m. Kevin Gordon seconded, and the motion carried unanimously.

The next monthly meeting is scheduled for Thursday, January 11, 2024 at 8:00 a.m.

