

TriMet 401a Defined Contribution Retirement Plan for Management & Staff

- Amendment to further define “Considered Compensation” to include wage adjustments paid in lieu of salary increases
- Wage adjustments in the form of lump sum payments were paid out in 2023 for employees at the top of his/her salary grade.
- When an employee receives an annual lump sum payment in lieu of a salary increase, they are not receiving the ER 10% retirement contribution to their 401a accounts because the payment is not considered compensation

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- **Affected Employees?**
 - In 2023, 16 employees were affected
 - 11 out of the 16 had ten years or more of TriMet service
 - In 2023, the total impact across all Divisions for the 16 affected employees would have been = \$5,360

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Example:

- Jane Smith, Senior Business Systems Analyst
 - Annual salary of \$120,000
 - At the maximum pay for the pay grade
 - Jane receives a performance-based lump sum payment in lieu salary increase of \$6,000
 - Jane would not receive the 10% ER Contribution (\$600) to her 401a Retirement account

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- Impact of adopting the resolution
 - Fairly and consistently recognize compensation
 - Not penalize employees who are at the top of their grade scale who receive wage adjustments for performance
 - Supports retention of long-term, experienced, highly valued employees