

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Adoption of Resolution No. 211 Approving Amendments to Minimum Distribution Requirements of the Security Replacement 401(a) Qualified Retirement Plan
DEPARTMENT: City Attorney
PRESENTED BY: Ian R. Sievers, City Attorney

PROBLEM/ISSUE STATEMENT:

The City adopted a 401(a) defined contribution plan (the "Plan") as a qualified retirement plan to receive mandatory employee and employer contributions that would otherwise be paid into the federal Social Security system. The Plan was established in March 1996.

The Plan administrator, Nationwide Retirement Solutions, Inc., has notified the City that the Plan must be amended to comply with the minimum distribution regulations in the Internal Revenue Code, section 401(a)(9). The proposed resolution adopts Amendment No. 3 to the Plan.

The new regulations on minimum distribution requirements set forth in the amendment are to supplement the corresponding regulations in the current Plan under Article 6.5 (e) and Article 6.6. These provisions as supplemented, detail the required minimum distributions for Plan participants who have reached the age of 70 ½ or die before distributions begin. The amendment changes the way the distributions are calculated, the time frame for when beneficiaries can receive the distributions, and the duration of the distributions.

FINANCIAL IMPACT:

There is no financial impact on the City of the employees.

RECOMMENDATION

Approve Resolution No. 211 Amending the City of Shoreline Defined Contribution Plan and Trust.

Approved By: City Manager  City Attorney 

ATTACHMENTS:

Resolution No. 211
Amendment No. 3 to Shoreline Defined Contribution Plan and Trust

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RESOLUTION NO. 211

A RESOLUTION OF THE CITY OF SHORELINE, WASHINGTON APPROVING AN AMENDMENT TO THE §401(a) DEFINED CONTRIBUTION RETIREMENT PLAN ESTABLISHED FOR ALL EMPLOYEES UNDER NATIONWIDE LIFE INSURANCE COMPANY CONTRACT NO. 013-06329 TO SUPPLEMENT MINIMUM DISTRIBUTION REQUIREMENTS IN COMPLIANCE WITH RECENT FEDERAL LAWS

WHEREAS, the City of Shoreline established a citywide §401(a) defined contribution retirement plan with Nationwide Life Insurance Company as a retirement plan with mandatory contributions as a component of the City's Social Security replacement program (Ordinance No. 71) (the "Plan"); and

WHEREAS, Nationwide Retirement Solutions, the money purchase plan administrator, has proposed an amendment to the Plan to supplement minimum distribution requirements of 6.5(e) and 6.6 of the Plan that incorporate changes in federal legislation since their original adoption by the City; and

WHEREAS, the Plan amendment preserves and continues the elements of the existing Plan; now therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON THAT

1. The City hereby amends and restates the City of Shoreline Defined Contribution Plan and Trust as set forth in Amendment No. 3 filed under City Clerk's Receiving No. 1650. The plan was originally effective on March 22, 1996.
2. The City Manager is hereby authorized and directed to execute Amendment No. 3 to the Nationwide Retirement Solutions, Inc. Model Governmental Defined Contribution Plan and Trust, filed under Clerk's Receiving No. 2427 and perform all acts, sign all documents necessary to put said plan into operation, and to secure the approval of said plan by the Internal Revenue Service so that said plan may qualify under Section 401(a) of the Internal Revenue Code of 1986, as amended.

ADOPTED BY THE CITY COUNCIL ON DECEMBER 1, 2003.

Mayor Scott Jepsen

ATTEST:

Sharon Mattioli, CMC,
City Clerk

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