
Council Meeting Date: December 10, 2001

Agenda Item: 7(h)

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Resolution No. 184 Approving a Restated Social Security Replacement §401(a) Qualified Retirement Plan
DEPARTMENT:	City Attorney
PRESENTED BY:	Ian R. Sievers, City Attorney

PROBLEM / ISSUE STATEMENT: In March 1996, the City adopted a §401(a) money purchase 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.

Since its original adoption, a series of federal employment and tax legislation have been enacted that require changes to the document language in the Plan. The Plan administrator, Nationwide Retirement Solutions, Inc. has proposed a Model Governmental Defined Contribution Plan and Trust as a document consistent with these federal laws to be adopted as an amended Plan for Shoreline. Internal Revenue Service Notice 2001-42 requires the City to conform its plan documents to current law no later than December 31, 2001.

The proposed Plan makes the same elections as the City's current social security money purchase plan. The City and employee both contribute 6.2% of compensation to the plan and benefits are 100% vested without service or age eligibility requirements. The restated plan also includes the loan option approved by Council in June 2001.

FINANCIAL IMPACT: There is no financial impact on the City or the employees.

RECOMMENDATION

Pass Resolution No. 184 Amending and Restating the City of Shoreline Money Purchase Plan.

Approved By:

City Manager 

City Attorney 

ATTACHMENTS:

Attachment A: - Resolution No. 184, Approving An Amendment To The §401 Money Purchase Plan Established For All Employees Under Nationwide Life Insurance Company Contract No. 013-06329 To Restate The Plan Compliance With Recent Federal Laws

RESOLUTION NO. 184

**A RESOLUTION OF THE CITY OF SHORELINE, WASHINGTON
APPROVING AN AMENDMENT TO THE §401 MONEY PURCHASE
PLAN ESTABLISHED FOR ALL EMPLOYEES UNDER NATIONWIDE
LIFE INSURANCE COMPANY CONTRACT NO. 013-06329 TO
RESTATE THE PLAN COMPLIANCE WITH RECENT FEDERAL LAWS**

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

WHEREAS, Nationwide Retirement Solutions, the money purchase plan administrator, has proposed a restated Adoption Agreement and Plan Document that incorporate changes in federal legislations since their original adoption by the City; and

WHEREAS, these restated plan documents preserve and continue the elements of the existing money purchase replacement 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 Money Purchase Plan as set forth in the Nationwide Retirement Solutions, Inc. Model Governmental Defined contribution Plan And Trust, effective as of December 10, 2001, filed under City Clerk's Receiving No. _____. The plan was originally effective on March 22, 1996.
2. The City Manager is hereby authorized and directed to execute the Adoption Agreement for Nationwide Retirement Solutions Governmental Money Purchase Plan and Trust 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.
3. The City Manager or designee is hereby appointed as Trustee and, upon acceptance by executing the Adoption Agreement of said plan is directed to assume ownership of all trust assets.

ADOPTED BY THE CITY COUNCIL ON DECEMBER 10, 2001.

Mayor Scott Jepsen

ATTEST:

Sharon Mattioli, CMC,
City Clerk

