

Introduced by Treece
First Reading 1-17-17 Second Reading 8-7-17
Ordinance No. 023264 Council Bill No. B 211-17

AN ORDINANCE

amending the City of Columbia, Missouri, Money Purchase Plan; and fixing the time when this ordinance shall become effective.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. The City of Columbia, Missouri hereby amends subsection 4.3 of the City of Columbia, Missouri, Money Purchase Plan (January 1, 2012 Restatement) as follows:

Material to be deleted in ~~strikeout~~; material to be added underlined.

**SECTION 4
ALLOCATION OF CONTRIBUTIONS**

4.3 Limitations on Allocations.

4.3.1 Annual Addition Limitation. Notwithstanding any contrary Plan provision, in no event shall the Annual Addition to any Participant's Account for any Plan Year exceed the lesser of (a) \$54,000~~53,000~~ (effective January 1, 2017~~2015~~) (as adjusted annually for cost of living increases in accordance with section 415(d) of the Code), or (b) 100% (effective January 1, 2002) of the Participant's Total Compensation for the Plan Year; provided, however, that clause (b) shall not apply to Annual Additions described in clause (5) of Section 4.3.2(b).

4.3.2 Definitions. For purposes of this Section 4.3, the following definitions shall apply:

(a) "*Aggregated Plan*" means any defined contribution plan which is aggregated with this Plan pursuant to Section 4.3.3.

(b) "*Annual Addition*" means with respect to each Participant the sum for a Plan Year of (1) the share of the Employer Contributions made by the Employer to be credited to the Participant's Employer Contribution Account; (2) the Voluntary Contributions made by the Participant to be credited to the Participant's Voluntary

Contribution Account; (3) the share of all contributions made by the Employer to be credited to the Participant's account under any Aggregated Plan; (4) the aggregate after-tax contributions made by the Participant to be credited to the Participant's account under any Aggregated Plan; and (5) any amount allocated to the Participant's individual medical account (within the meaning of section 415(l) of the Code) under any defined benefit plan maintained by the Employer.

(c) *"Total Compensation"* means, except as otherwise provided in this Section 4.3.2, "Compensation" means all amounts paid or made available to an Employee by an Employer which are treated as compensation under Treasury Regulation Section 1.415(c)-2(d)(2)(i), and that are not excluded from compensation under Treasury Regulation Section 1.415(c)-2(d)(3) as follows a Participant's wages (within the meaning of section 3401(a) of the Code) and all other payments of compensation which the Employer is required to report in Box 1 ("wages, tips or other compensation") of IRS Form W-2 (or its successor), but (1) excluding amounts paid or reimbursed by the Employer for moving expenses incurred by the Participant, to the extent that at the time of payment it is reasonable to believe that such amounts are deductible by the employee under section 217 of the Code, and (2) determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the agricultural labor exception). Total Compensation shall include regular pay after severance from employment if: (i) the payment is regular compensation for services during the Participant's regular working hours, or compensation for services outside the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar payments; (ii) the payment would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Employer; and (iii) the amounts are paid by the later of 2 ½ months after severance from employment or by the end of the limitation year that includes the date of such severance from employment. Leave cashouts shall be included in Total Compensation if: (i) those amounts would have been included if they were paid prior to the Participant's severance from employment, and the amounts are payment for unused accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if employment had continued; and (ii) the amounts are paid by the later of 2 ½ months after severance from employment or by the end of the limitation year that includes the date of such severance from employment.

4.3.3 Other Defined Contribution Plans. All defined contribution plans (terminated or not) maintained by the Employer shall be considered as one plan in applying the limitations of this Section 4.3.

4.3.4 Adjustments. If, as a result of a reasonable error in estimating a Participant's Total Compensation or other circumstances which the Internal Revenue Service finds justify the availability of the rule stated in this Section 4.3.4, any of the limitations of this Section 4.3 otherwise would be exceeded with respect to any Participant for any Plan Year, then the Plan may be corrected only in accordance with the Employee

Plans Compliance Resolution System (EPCRS) as set forth in Revenue Procedure 2008-50 or any superseding guidance, including, but not limited to, the preamble of the final Code Section 415 regulations, following actions, but only to the extent necessary to avoid exceeding such limitations, shall be taken in the following order:

~~(a) The Participant's Voluntary Contributions to this Plan and any after tax employee contributions he or she made under any Aggregated Plan for the Plan Year, and the income earnings and gains attributable thereto, shall be returned to him or her;~~

~~(b) The amount allocated to the Participant's Employer Contribution Account shall be reallocated to a suspense account, and the balance credited to that account shall be applied to reduce the Employer Contributions allocable to all eligible Participants for succeeding Plan Years in order of time;~~

~~(c) Any employer contributions otherwise to be allocated to the Participant's account under any Aggregated Plan, shall be applied to reduce the other employer contributions (of the same class) otherwise to be contributed on behalf of and allocated to all eligible Participants or participants in the Aggregated Plan for succeeding Plan Years in order of time; and~~

~~(d) The Participant's accrued benefit under any defined benefit plan shall be frozen and/or the rate of its future accrual shall be reduced.~~

~~(e) Any suspense account created under paragraph (b) or (c) above shall not share in the allocations of income and realized or unrealized gains and/or losses of the Trust Fund. In the event the Plan is terminated, any amounts credited to any such suspense account shall be returned to the Employer.~~

4.3.5 Limitation Year. For purposes of applying the limitations of section 415 of the Code, the limitation year shall be the Plan Year.

SECTION 2. This ordinance shall be in full force and effect from and after its passage.

PASSED this 7th day of August, 2017.

ATTEST:



City Clerk



Mayor and Presiding Officer

APPROVED AS TO FORM:



City Counselor