

City of Columbia

701 East Broadway, Columbia, Missouri 65201



Agenda Item Number: B 297-14

Department Source: Finance

To: City Council

From: City Manager & Staff

Council Meeting Date: September 2, 2014

Re: Revisions to the city 401a employer Money Purchase Plan.

Documents Included With This Agenda Item

Council memo, Resolution/Ordinance

Supporting documentation includes: None

Executive Summary

Currently city employees can obtain loans from their 401a plans. Uniformed employees of the Police and Fire Departments starting city employment October 1, 2012 or later do not have the option to participate in the 401a plan. These employees do have the option to participate in the 457 plan. This ordinance discontinues allowing new loans from the 401a plan effective October 1, 2014.

The United States Supreme Court's ruling in United States vs. Windsor struck down Section 3 of the Defense of Marriage Act. This ruling requires the city to revise its definition of "spouse" in all of its benefit plans.

Discussion

Currently city employees can obtain loans from their 401a plans. Uniformed employees of the Police and Fire Departments starting city employment October 1, 2012 or later do not have the option to participate in the 401a plan. These employees do have the option to participate in the 457 plan. This ordinance discontinues allowing new loans from the 401a plan effective October 1, 2014. Another ordinance is being introduced to allow all city employees participating in the 457 plans to obtain loans from these plans effective October 1, 2014. These changes create equity between all city employees.

The United States Supreme Court's ruling in United States vs. Windsor struck down Section 3 of the Defense of Marriage Act.

Fiscal Impact

Short-Term Impact: None.

Long-Term Impact: None.

Vision, Strategic & Comprehensive Plan Impact

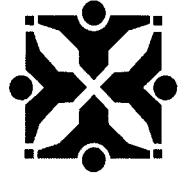
Vision Impact: Not Applicable

Strategic Plan Impact: Workforce

Comprehensive Plan Impact: Not Applicable

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Suggested Council Action

Passage of this ordinance.

Legislative History

None.



Department Approved



City Manager Approved

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 297-14

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 1.20 of the City of Columbia, Missouri, Money Purchase Plan (January 1, 2012 Restatement) to add the following:

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

1.20. Definitions.

“Spousal Consent” means the consent of the spouse of a Participant that:

- (a) Is set forth in writing;
- (b) Acknowledges the effect of the election, consent, waiver or designation made or other action taken by the Participant; and
- (c) Is signed by the spouse and witnessed by a notary public.
- (d) However, if the Participant establishes to the satisfaction of the Employer that Spousal Consent may not be obtained or is not required, either because the Participant has no spouse or the spouse cannot be located or because of other circumstances specified under section 417(a)(2) of the Code or in rules adopted by the Employer, the Participant’s election or other action shall be effective without Spousal Consent.
- (e) Any Spousal Consent required under the Plan shall be valid only (1) with respect to the spouse who signs the Spousal Consent, and (2) as to the particular choice made by the Participant in the election or other action requiring Spousal Consent.
- (f) A Participant (without Spousal Consent) may revoke a prior election or other action at any time before its effective date. The number of such revocations shall not be limited.

Effective September 16, 2013, "spouse" means a person, as of the earlier of a Participant's Annuity Starting Date or a Participant's death, who is alive and to whom a Participant is legally married under the laws of the state where the marriage occurred (regardless of the laws of the state where the Participant or spouse are domiciled); provided such marriage is evidenced by a valid marriage certificate or other proof acceptable to the Employer. For the avoidance of doubt, any references to "spousal" or "married" in this Plan shall be determined in accordance with this subsection 1.20.

SECTION 2. The City of Columbia, Missouri hereby amends subsection 8.1.1 of the City of Columbia, Missouri, Money Purchase Plan (January 1, 2012 Restatement) to add the following:

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

8.1. Loans to Participants.

8.1.1 General Loan Rules. A Participant may, upon application to the Employer in such manner as the Employer shall prescribe, obtain a loan from his or her Account in accordance with the provisions of this Section 8.1. Loans shall be available to all Participants on a reasonably equivalent basis. Notwithstanding any other provision of this Section 8.1 to the contrary, no new loan shall be made or entered into under the Plan to a Participant on or after October 1, 2014.

...

SECTION 3. This ordinance shall be in full force and effect from and after October 1, 2014.

PASSED this _____ day of _____, 2014.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor