



Legislation Details (With Text)

File #: 18-0784 **Version:** 1 **Name:** Amended and Restated Pension Plan and Adopt First Amendment

Type: Resolution **Status:** Passed

File created: 7/20/2018 **In control:** Work Session

On agenda: 8/14/2018 **Final action:** 8/14/2018

Title: *Consideration of Resolution No. 2018-62 to Adopt the Amended and Restated Pension Plan Effective January 1, 2018, and To Adopt the First Amendment to the Amended and Restated Pension Plan Effective January 1, 2018.

Sponsors: Eric Stuckey, Kristine Brock, Kevin Townsel

Indexes:

Code sections:

Attachments: 1. Res. 2018-62 Amended and Restate Pension Plan_with Exhibits.Law Approved, 2. 2018_2019 Retiree Payroll Dates

Date	Ver.	Action By	Action	Result
8/14/2018	1	Work Session	acknowledged	
8/14/2018	1	Board of Mayor & Aldermen	approved	Pass

DATE: July 20, 2018

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Tallent, Assistant City Administrator/CFO
Kevin Townsel, Human Resources Director

SUBJECT:

*Consideration of Resolution No. 2018-62 to Adopt the Amended and Restated Pension Plan Effective January 1, 2018, and To Adopt the First Amendment to the Amended and Restated Pension Plan Effective January 1, 2018.

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning a resolution to adopt an amended and restated pension plan document and to adopt a first amendment to the restated document.

Background

The Board of Mayor and Aldermen has adopted seven amendments to the Pension Plan as necessary over the years. It is the recommendation of staff to restate the pension plan document to incorporate these seven amendments. Moreover, staff has consulted with its pension professionals to recommend a first amendment to the restated plan which allows for 1) payment of benefits on days other than the first of the month, which

will accommodate the schedule of the Tennessee Consolidated Retirement System (“TCRS”), as they begin making payments to retirees in January 2019 and 2) amends the Lump Sum section to eliminate the option of a partial lump sum withdrawal for employees who retire after the date of the amendment.

Financial Impact

Eliminating the partial lump sum withdrawal option from the Cash Balance Plan impacts approximately 90 employees hired between 1993 and 2001 who have yet to retire. Future retirees continue to have the options of withdrawing their cash balance funds as a whole or to annuitize their benefits into a monthly payment.

Recommendation

Staff recommends approval of the restated and amended pension plan and adoption of the first amendment as described above.