



Legislation Details (With Text)

File #: 19-0866 **Version:** 1 **Name:** Res 2019-90 to Amend the 401(a) DC Retirement Plan
Type: Resolution **Status:** Passed
File created: 8/23/2019 **In control:** Work Session
On agenda: 9/24/2019 **Final action:** 9/24/2019
Title: *Consideration of Resolution No. 2019-90, A Resolution to Amend the 401(a) Defined Contribution Retirement Plan in the Form of the ICMA Retirement Corporation Deferred Compensation Plan & Trust
Sponsors: Eric Stuckey, Kristine Brock, Kevin Townsel

Indexes:

Code sections:

Attachments: 1. Res 2019-90_Amendment to Deferred Compensation Retirement Plan_Law Approved

Date	Ver.	Action By	Action	Result
9/24/2019	1	Work Session	acknowledged	
9/24/2019	1	Board of Mayor & Aldermen	approved	Pass

DATE: September 4, 2019

TO: Board of Mayor and Aldermen

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

SUBJECT:

*Consideration of Resolution No. 2019-90, A Resolution to Amend the 401(a) Defined Contribution Retirement Plan in the Form of the ICMA Retirement Corporation Deferred Compensation Plan & Trust

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning a recommended change to the vesting period for the voluntary deferred compensation retirement plan for full time employees hired on or after January 1, 2017.

Background

The City established a voluntary Defined Contribution Plan for employees hired on or after January 1, 2017, who are also members of the State of Tennessee Consolidated Retirement System Legacy Defined Benefit Pension Plan. The voluntary plan provides an employer match of up to 2% of an employee’s annual salary, provided the employer contributes an equal amount to a 457 retirement account. The purpose of the voluntary plan is to encourage employees to begin saving for retirement early in their career with the City. It was the intention at the time of adoption for the employees to be fully vested in the voluntary program at the same time as their eligibility for the employer match- at the 2-year hiring anniversary. Staff realized after

adoption that the documents describe a 5-year vesting period. Resolution 2019-90 will amend the plan documents to allow for a 2-year vesting period for the voluntary program eligible for full time city employees hired on or after January 1, 2017.

Financial Impact

There is no financial impact to the City resulting from approval of this resolution.

Recommendation

Staff recommends approval.