



Legislation Details (With Text)

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**File created:** 3/18/2021      **In control:** City Council

**On agenda:** 4/8/2021      **Final action:**

**Title:** Actions pertaining to amending Sections 3-330, 3-336, 3-338, 3-353e, 3-408, 3-413, 3-415 and 3-424e, 3-547, 3-550, 3-552 and 3-566e of the Fresno Municipal Code to Clarify and Conform the Disability and Death Provisions of the Fire and Police Retirement System and the Employees Retirement System.

1. \*\*\*BILL No. B-10 - (Intro 3/18/2021) (For adoption) Amending Sections 3-330, 3-336, 3-338, and 3-353(e) of the Municipal Code Relating to the Disability, Death and DROP Provisions of the First Tier of the Fire and Police Retirement System. (Subject to Mayor's veto)
2. \*\*\*BILL No. B-11 - (Intro 3/18/2021) (For adoption) Amending Sections 3-547, 3-550, 3-552, and 3-556(e) of the Municipal Code Relating to the Disability, Death and DROP Provisions of the Employees Retirement System. (Subject to Mayor's veto)
3. \*\*\*BILL No. B-12 - (Intro 3/18/2021) (For adoption) Amending Sections 3-408, 3-413, 3-415, and 3-424(e) of the Municipal Code Relating to the Disability, Death and DROP Provisions of the Second Tier of the Fire and Policy Retirement System. (Subject to Mayor's veto)

**Sponsors:** Personnel Services Department

**Indexes:**

**Code sections:**

**Attachments:** 1. Ordinance Amending Sections 3-330, 3-336, 3-338, and 3-353(e) of the FMC, 2. Ordinance Amending Sections 3-408, 3-413, 3-415, and 3-424(e) of the FMC, 3. Ordinance Amending Sections 3-547, 3-550, 3-552, and 3-566(e) of the FMC

Date	Ver.	Action By	Action	Result
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**REPORT TO THE CITY COUNCIL**

**April 8, 2021**

**FROM:** JEFF CARDELL, Director  
Personnel Services Department

**SUBJECT**

Actions pertaining to amending Sections 3-330, 3-336, 3-338, 3-353e, 3-408, 3-413, 3-415 and 3-424e, 3-547, 3-550, 3-552 and 3-566e of the Fresno Municipal Code to Clarify and Conform the Disability and Death Provisions of the Fire and Police Retirement System and the Employees Retirement System.

1. \*\*\*BILL No. B-10 - (Intro 3/18/2021) (For adoption) Amending Sections 3-330, 3-336, 3-338, and 3-353(e) of the Municipal Code Relating to the Disability, Death and DROP Provisions of

the First Tier of the Fire and Police Retirement System. (Subject to Mayor's veto)

2. \*\*\*BILL No. B-11 - (Intro 3/18/2021) (For adoption) Amending Sections 3-547, 3-550, 3-552, and 3-556(e) of the Municipal Code Relating to the Disability, Death and DROP Provisions of the Employees Retirement System. (Subject to Mayor's veto)
3. \*\*\*BILL No. B-12 - (Intro 3/18/2021) (For adoption) Amending Sections 3-408, 3-413, 3-415, and 3-424(e) of the Municipal Code Relating to the Disability, Death and DROP Provisions of the Second Tier of the Fire and Policy Retirement System. (Subject to Mayor's veto)

## **RECOMMENDATION**

It is recommended that the City introduce Fresno Municipal Code amendments to codify the extension of favorable tax treatment of retirement benefits to eligible survivor(s) of a deceased member to conform to the Internal Revenue Code (IRC).

## **EXECUTIVE SUMMARY**

Eligible survivors of deceased members receive a continued retirement benefit. Pursuant to the IRC, when the retirement benefit includes tax favored status, that same tax favored status is provided to the survivor. Amending the Fresno Municipal Code codifies the practice of the Retirement Boards and ensures the operative provisions of the retirement plans are compliant and consistent with the IRC.

## **BACKGROUND**

Consistent with the advice of Tax and General Counsel, the Retirement Boards have approved and recommend to the City Council, revisions to the Retirement provisions in the Fresno Municipal Code to codify the extension of favorable tax treatment of retirement benefits to eligible survivor(s) of a deceased member to ensure compliance with the IRC. This update of the Fresno Municipal Code does not confer a new benefit. This update assures that the governing document for the plans is compliant with the tax code.

## **ENVIRONMENTAL FINDINGS**

This is not a "project" for the purpose of CEQA pursuant to CEQA Guidelines Section 15378.

## **LOCAL PREFERENCE**

The City's Local Preference Ordinance (FMC 4-108) does not apply and this is not a purchase of services, materials, supplies or equipment, or a competitive bidding solicitation.

## **FISCAL IMPACT**

There is no impact associated with the ultimate adoption of the amendments to the Fresno Municipal Code as the amendments expressly state the how favorable tax treatment of retirement benefits is provided to eligible survivors.

Attachments:

Ordinance Amending Sections 3-330, 3-336, 3-338, and 3-353(e) of the FMC

Ordinance Amending Sections 3-408, 3-413, 3-415, and 3-424(e) of the FMC  
Ordinance Amending Sections 3-547, 3-550, 3-552, and 3-566(e) of the FMC