



## Legislation Details (With Text)

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<b>Type:</b>	Action Item	<b>Status:</b>		Passed	
<b>File created:</b>	4/5/2022	<b>In control:</b>		City Council	
<b>On agenda:</b>	4/21/2022	<b>Final action:</b>		4/21/2022	
<b>Title:</b>	Adopt Restatement of the City of Fresno Deferred Compensation Plan Document				
<b>Sponsors:</b>	Retirement Department				
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	1. JAD REDLINE Prior 457 Plan Document vs Document approved by IRS (4828-2389-8861.v1)-c with changes for punctuations.pdf, 2. clean version JAD REDLINE Prior 457 Plan Document vs Document approved by IRS (4828-2389-8861.v1)-c with changes for punctuations.pdf				

Date	Ver.	Action By	Action	Result
4/21/2022	1	City Council	ADOPTED	Pass

## REPORT TO THE CITY COUNCIL

**FROM:** DEFERRED COMPENSATION BOARD

**BY:** ROBERT T. THELLER, Retirement Administrator

## SUBJECT

Adopt Restatement of the City of Fresno Deferred Compensation Plan Document

## RECOMMENDATION

The City of Fresno Deferred Compensation Board recommends that the City Council approve the attached restated City of Fresno 457 Deferred Compensation Plan document, which includes changes recommended by the IRS to align the City's plan document more closely with the model language for governmental deferred compensation plans provided by the IRS in Revenue Procedure 2004-56. While the changes recommended appear to be extensive, they are not substantial or significant with one exception. The plan now requires that loans be repaid via payroll deduction. Staff and Fidelity are working to implement payroll deductions for plan loan repayments. The revisions to the Plan Document recognize that employees must expressly and in writing agree to payroll deductions and provide for contingencies in the event an agreed-upon installment cannot be made through payroll deduction.

The IRS issued a Favorable Private Letter Ruling for the City of Fresno 457 Deferred Compensation Plan dated June 7, 2021, based upon the City's adoption of the restated City of Fresno 457 Deferred Compensation Plan Document, attached. Therefore, accepting the restated plan document with these modifications results in the IRS considering the City's 457(b) Plan an eligible deferred compensation plan as defined in Internal Revenue Code Section 457(b).

## **EXECUTIVE SUMMARY**

The restated City of Fresno Deferred Compensation Plan document incorporates IRS model language for governmental deferred compensation plans, which reflects some re-wording and mostly reorganization or positioning of the articles and sections of the document, to conform the plan document to the proposed document approved by the IRS Private Letter Ruling.

## **BACKGROUND**

At its meeting on October 14, 2021, the Deferred Compensation Board reviewed, discussed and adopted a presented restated plan document for the City of Fresno 457 Deferred Compensation Plan.

The City Attorney's Office has thoroughly reviewed the amendments found in the attached proposed City of Fresno 457 Deferred Compensation Plan document.

## **ENVIRONMENTAL FINDINGS**

N/A

## **LOCAL PREFERENCE**

N/A

## **FISCAL IMPACT**

There are no costs for the City associated with the implementation of the restated Plan document.

Attachment: City of Fresno 457 Deferred Compensation Plan document dated June 7, 2021.