

AGENDA ITEM SUMMARY

City Council



STAFF

Kelley Vodden, Director of Compensation, Benefits, and Wellness

SUBJECT

Resolution 2024-072 Authorizing the Mayor to Execute City-sponsored 401(a) Restated Adoption Agreements.

EXECUTIVE SUMMARY

The purpose of this item is to authorize the Mayor to execute restated adoption agreements for City-sponsored 401(a) and Police 401(a) plans to designate a new Special Trustee.

STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

BACKGROUND / DISCUSSION

In 2020, the City previously established qualified 401(a) money purchase plans for eligible City employees, including City service area and unit directors and employees appointed by Council, Police employees in the collective bargaining unit and classified and unclassified management employees.

Effective June 1, 2020, the City entered into an administrative services agreement with nationwide Retirement Solutions, Inc., along with its affiliates and subsidiaries (collectively, "Nationwide"), to provide administrative, recordkeeping and custodial services for its City-sponsored retirement plans.

With and Nationwide's assistance, the City established the following 401(a) retirement plans (collectively, the "Plans"):

- The City of Fort Collins 401(a) Unclassified Management and Classified Employees' Plan
- The City of Fort Collins 401(a) Service Directors' and Council Employees' Plan
- The City of Fort Collins 401(a) Police Plan

Internal Revenue Service regulations require designation of a Special Trustee for City-sponsored and Police 401(a) plans. The Special Trustee is the individual responsible for collecting and remitting contributions to these Plans in a timely manner. Failure to designate a Special Trustee would otherwise establish a default designation as the individual at the City who has "ultimate responsibility" for the City as an employer.

The departure of our former designated Special Trustee from the City of Fort Collins requires the assignment of a new Special Trustee for the Plans.

Restating these plans is an administrative action and will have no financial impact on the City or on benefits provided to participating employees. The City's deadline to restate its plan documents is December 31, 2024.

CITY FINANCIAL IMPACTS

None.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Resolution for Consideration
2. Exhibit to Resolution