

AGENDA ITEM SUMMARY

City Council



STAFF

Kelley Vodden, Director of Compensation, Benefits, and Wellness

SUBJECT

Resolution 2025-095 Authorizing the Mayor to Execute City-Sponsored 401(a) and 457(b) 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), Police 401(a) and 457(b) plans inclusive of the changes detailed below.

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 the City 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 and affiliate-sponsored retirement plans.

Prior to 2020, the City established retirement plans for its employees. In 2020, the City entered into an administrative services agreement with Nationwide and streamlined the number of plans for City employee plan participants to achieve administrative ease. As part of the transition to Nationwide from a prior record keeper, the City established the following 401(a) retirement plans (collectively, the "Plans") for City employee plan participants:

- 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) 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
- The City of Fort Collins 457(b) 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 an assignment of a new Special Trustee for the Plans.

Additionally, Nationwide has changed governing document vendors, and as a result, is restating all its 457(b) and 401(a) Adoption Agreements. The restated adoption agreements incorporate two additional updates: (1) clarifying employee groups eligible to participate in the related plan and (2) the addition of contributions for eligible employees driven by the 2025-2027 Collective Bargaining Agreement between the City and Northern Colorado Lodge #3 of the Fraternal Order of Police (CBA). On December 3, 2024, the City Council approved the CBA by Resolution No. 2024-141.

The City’s deadline to restate its plan documents is December 31, 2025.

CITY FINANCIAL IMPACTS

Restating these plans is an administrative action and will have no financial impact on the City or on benefits provided to participating employees.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS

1. Resolution 2025-095