



MEMORANDUM

Council Agenda
Item No. XI. S
11/19/2024

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Resolution providing for the approval and adoption of both the amended and restated Money Purchase Plan and Trust, Open Plan (formerly, Money Purchase Plan and Trust #7697)("Open Plan"), and the amended and restated Money Purchase Plan and Trust, Closed Plan (formerly, Money Purchase Plan and Trust #8751)("Closed Plan"), effective December 18, 2024; declaring that mandatory employee contributions of the employees of The City of Oklahoma City (Employer) to the Open Plan, the Closed Plan, and the Oklahoma City Employee Retirement System (the "System"), (Collectively, the "Plan") are intended to be "picked-up" as employer contributions pursuant to Internal Revenue Code; declaring that all future mandatory employee contributions although designated as employee contributions will be paid by the employer in lieu of contributions by the employee; declaring that employees shall not be permitted to opt out of the "pick-up" or to receive the contributed amounts directly instead of having them paid by the Employer to the Plan; declaring that if the resolutions do not meet the requirements of the Internal Revenue Code or Revenue Ruling 2006-43, or final income tax regulations or other guidance from the Internal Revenue Service or the Department of Treasury provide for additional requirements in order to fulfill the requirements of the Internal Revenue Code or Revenue Ruling 2006-43 the resolutions shall be deemed modified to the extent necessary to meet such requirements; declaring the Employer has taken formal action to continue to effectuate the "pick-up" in accordance with Revenue Ruling 2006-43; providing for the approval and adoption of the amended and restated 457(b) Deferred Compensation Plan and Trust, previously administered by MissionSquare, to be named The Oklahoma City 457 Deferred Compensation Plan and Trust ("OKC 457 Plan") effective December 18, 2024, and simultaneously providing for the approval of the merger and transfer of the 457(b) plan administered by Nationwide into OKC 457 Plan (and which, together with Open Plan and Closed Plan, are collectively the "Retirement Plans"); authorizing and directing the Mayor and/or City Manager of The City or their designee to: (1) Approve, adopt, and execute the retirement plans and any other related documents, (2) Take any action required with respect to implementation and transfer to Voya, (3) Take any action necessary, legal and proper with respect to the retirement plans, including the related Trust Agreements, Custodial Agreements, and/or Funding Vehicles ("Trust Documents") and (4) Make any amendments necessary to maintain or qualify each of the retirement plans and trust documents under the applicable sections of the code, and other applicable law; ratifying all acts and things necessary, legal, and proper in connection with the retirement plans and the related trust documents previously taken by the Mayor and/or City Manager of The City.

Background:

The City offers a Money Purchase Plan and Trust option as a retirement benefit for designated employees. The Money Purchase Plan and Trust Plan No 10-7697 and Plan No 10-8751, were previously amended and restated March 2022. The Employee Retirement System has worked with tax counsel to review and implement changes needed for the new deferred compensation recordkeeper, effective December 18, 2024. The updated Money Purchase Plan and Trust removes the account number associated with the current recordkeeper and revised the name to indicate whether it is open or closed to new participants. To maintain compliance with revenue ruling, 2006-43, the resolution formalizes declaring mandatory employee contributions of employees of the employer to the plan are intended to be “picked-up” as employer contributions pursuant to the Internal Revenue Code.

The 457(b) Deferred Compensation Plan previously administered by MissionSquare is being amended and restated while simultaneously approving the merger and transfer of the 457(b) Plan administered by Nationwide into the plan.

Review:

Employee Retirement System

Recommendation: Resolution be adopted.