



MEMORANDUM

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

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Ordinance on final hearing relating to Personnel and Retirement Systems, amending Chapter 40 of the Oklahoma City Municipal Code, 2020, Article III – Pensions and Retirement, Division 1 – Employee Retirement Programs, Part A – Introduction and Definitions, by amending Section 40-51 – Definitions, to (1) Better differentiate between the Money Purchase Plans of The City of Oklahoma City, (2) Clarify who is an employee of The Oklahoma City Employee Retirement System for purposes of receiving benefits as a participant and (3) Make other clarifying changes; amending Part B – General Provisions, by amending Section 40-60 – Retirement Systems participation, to reference other systems; by amending Section 40-61 - Employees eligible to withdraw from system, to expand which classes of employees may elect to withdraw from the Oklahoma City Employee Retirement System; by amending Section 40-62 – Payment of City appropriations into funds, to reflect the definition changes in Section 40-51; by amending Section 40-65 - Retirement Benefits to Employees generally, to clarify the maximum annual retirement benefit; by amending Section 40-83 – Reemployment of a Retired Participant, to correct a typographical error; and amending Division 2 – Deferred Compensation Program, by amending Section 40-132 – Employee participation, to allow employees of the Central Oklahoma Transportation and Parking Authority to participate in the 457 plan and one of the Money Purchase Plans sponsored by the City solely for matching purposes.

Background:

Employee Retirement System tax counsel has worked to review and implement changes needed for the new deferred compensation recordkeeper due to moving from two plans to one plan. Additionally, changes were needed to allow the Central Oklahoma Transportation and Parking Authority employees to participate in the City sponsored plans.

The Oklahoma City Deferred Compensation Board adopted a resolution (Item No. II. B.) recommending the ordinance to the City Council for approval.

A summary of changes is listed below:

Section 40-51- Definitions

Updated Money Purchase Plan and Trust to remove the account number associated with the current recordkeeper and revised the name to indicate whether it is open or closed to new participants. Added Central Oklahoma Transportation and Parking Authority employees were added for the deferral match but are not entitled to receive the same benefits as a Participant of the System.

Section 40-60- Retirement Systems participation.

Added clarification that employees in positions where they are active members of the state pension system are not eligible to participate as part of the System.

Section 40-61- Employees eligible to withdraw from System.

Added employees of The System are eligible to elect the Money Purchase Plan.

Section 40-62 – Payment of City appropriations into funds.

Updated Money Purchase Plan and Trust to remove the account number associated with the current recordkeeper and revised the name to indicate whether it is open or closed to new participants.

Section 40-65 – Retirement Benefits to Employees generally.

Added clarification for years of service and maximum of 100 percent of Average Final Compensation.

Section 40-83 – Reemployment of a Retired Participant.

Corrected typographical error.

Section 40-132 – Employee participation.

Added Central Oklahoma Transportation and Parking Authority full-time, non-represented by a union to be eligible for the sole purpose of the matching elective deferrals.

Review:

Employee Retirement System

Recommendation: Ordinance be adopted.