



Department Source: Finance

To: City Council

From: City Manager & Staff

Council Meeting Date: July 17, 2017

Re: Authorizing adoption and restatement of the City of Columbia, Missouri Money Purchase Plan 401 (a) Plan; authorizing execution and administration of plan documents.

Executive Summary

This restatement of the City of Columbia, Missouri Money Purchase Plan, currently administered by Empower, is required to be restated according section 401 (b) to comply with the requirements of the final regulations under Code Section 415 of the Internal Revenue Code (The Code).

Discussion

The City of Columbia has been working with the IRS to determine compliance with regulations enacted with the Pension Protection Act of 2006. As a result of this review, the City determined that the current plan is out of compliance with regulations and needs to be amended. The attached ordinance will bring the plan up-to-date and into compliance. The City will enter into a closing agreement with the IRS that will result in the matter being closed and the plan then being determined as a properly executed qualified plan by the IRS. Noncompliance could result in the loss of qualified retirement plan status with the Department of Treasury resulting in loss of tax advantages including tax on benefits received by plan participants.

Fiscal Impact

Short-Term Impact: The City will pay the IRS \$12,000 to close the matter and avoid disqualification of the plan.

Long-Term Impact: None

Vision & Strategic Plan Impact

Vision Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Strategic Plan Impacts: None

Primary Impact: Not Applicable, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
9-17-2012	B252-12 Adoption of the City of Columbia, Missouri, Money Purchase Plan January 1, 2012 Restatement.

Suggested Council Action

Adopt the attached Ordinance.