



**City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS**

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Legislative File No: 2005-0849

TO: Mayor and City Council Members
FROM: Julie Jenuwine, Finance Director
DATE: December 7, 2005
SUBJECT: Group Pension Plan Document Restatement

REQUEST:

It is requested that the attached Restatement of the City of Rochester Hills Group Pension Plan be presented to and adopted by the City Council.

BACKGROUND:

The City of Rochester Hills Group Pension Plan (“Plan”) is established and administered as a qualified governmental defined contribution pension plan under §401 of the Internal Revenue Code, as amended (“IRC” or “Code”) and is a tax-exempt organization under IRC §501.

A group consisting of the two Plan trustees (Finance Director and City Assessor/Treasurer), the Plan administrator (City Accountant) and the Human Resource Director was formed to address various issues regarding the structure and content of the pension Plan Document. Specifically, the group reviewed the defined contribution plan provisions in light of applicable state and federal laws and regulations, the past practices of the Plan, as well as the general practices of public pension systems.

The group enlisted the services of attorney Thomas C. Michaud of VanOverbeke, Michaud & Timmony, P.C. who specializes in legal advising for public pension plans. The group met with Mr. Michaud and has determined that it is necessary to restate the Plan to incorporate accumulated changes, remove obsolete material and to conform to applicable provisions of state and federal law, including the Internal Revenue Code. A strike out version of the proposed Plan is enclosed for comparison purposes.

It is necessary to conform with the Internal Revenue Code, in order to have a *qualified* governmental defined contribution pension plan. Future amendments to this plan may be necessary due to changes in the Internal Revenue Code, changes with labor agreements and/or changes with administrative processes. Any future amendments to this restated plan will be performed administratively, as in the past.

It should be noted that the restatement serves to improve the administration of the Plan and comply with Internal Revenue Code provisions, and not intended to modify or amend the retirement benefits currently provided by the Plan.

RECOMMENDATION:

It is recommended that the attached Restatement of the City of Rochester Hills Group Pension Plan be presented to and adopted by the City Council.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		

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