



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2012-0257

TO: Mayor and City Council Members
FROM: Keith Sawdon, Director of Finance, 2535
DATE: July 16, 2012
SUBJECT: Amendment to Pension Plan Document for Worker, Retiree, and Employer Recovery Act 2008 ("WRERA")

REQUEST:

We are requesting that City Council approve the changes to our Group Pension Plan Document to account for the above referenced Act.

BACKGROUND:

It is necessary for us to amend our Group Pension Plan Document so we are in compliance with the Worker, Retiree, and Employer Recovery Act 2008 ("WRERA").

Since our plan is a governmental defined contribution plan, the act waived the required minimum distribution rules for 2009. IRC Section 401(a)(9) requires qualified plans to commence minimum distributions to participants no later than April 1st following the year in which the participant attains the age of 70 ½ or the year in which he or she retires, if later.

In addition, WRERA also provides that rollovers by non-spouse beneficiaries are generally subject to the same rules as other eligible rollovers.

Regardless of whether or not anyone waived their distribution for 2009, the IRS requires that our plan document be amended and adopted by no later than December 31, 2012.

Changes to our Plan Document can be found on page 30, 6.11(r) and on page 31, 7.1(b)(3).

RECOMMENDATION:

We are recommending that City Council adopt the Pension Plan Document with the proposed changes which will bring our document into conformance with IRC Section 401(a)(9).

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