



CITY OF PLANO COUNCIL AGENDA ITEM

CITY SECRETARY'S USE ONLY					
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory					
Council Meeting Date:		6/25/12			
Department:		Human Resources			
Department Head		Jim Parrish			
Agenda Coordinator (include phone #): Billy Bailey / 941-5411					
CAPTION					
An Ordinance of the City of Plano, Texas amending specific provisions of the City of Plano Retirement Security Plan as Restated January 1, 2007 and January 1, 2011 to reflect current practices; authorizing its execution by the City Manager, or his designee; providing a repealer clause, a severability clause, a savings clause and an effective date.					
FINANCIAL SUMMARY					
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP					
FISCAL YEAR:	2011-2012	Prior Year (CIP Only)	Current Year	Future Years	TOTALS
	Budget	0	0	0	0
	Encumbered/Expended Amount	0	0	0	0
	This Item	0	0	0	0
	BALANCE	0	0	0	0
FUND(s):					
COMMENTS: This item has no fiscal impact.					
STRATEGIC PLAN GOAL: Periodic reviews and changes to the Retirement Security Plan document required by the IRS relate to the City's Goal of Financially Strong City with Service Excellence.					
SUMMARY OF ITEM					
An ordinance amending specific provisions of the City of Plano Retirement Security Plan as restated January 1, 2011, with amendments requested by the Internal Revenue Service.					
List of Supporting Documents: Ordinance			Other Departments, Boards, Commissions or Agencies		

An Ordinance of the City of Plano, Texas amending specific provisions of the City of Plano Retirement Security Plan as Restated January 1, 2007 and January 1, 2011 to reflect current practices; authorizing its execution by the City Manager, or his designee; providing a repealer clause, a severability clause, a savings clause and an effective date.

WHEREAS, the City of Plano, Texas (the “Employer”) previously established the City of Plano, Texas Retirement Security Plan (as amended, the “Plan”) for the benefit of its eligible employees and their beneficiaries;

WHEREAS, the Plan was amended and restated effective as of January 1, 2007 (the “2007 Restatement”), was then amended three times, and was then amended and restated again effective as of January 1, 2011 (the “2011 Restatement”);

WHEREAS, the Internal Revenue Service has requested certain amendments to the Plan as a condition for issuing a favorable determination letter with respect to the Plan;

WHEREAS, the Employer has reserved the right to adopt amendments to the Plan pursuant to the provisions of Section 13.1 of the 2007 Restatement and Section 12.1 of the 2011 Restatement.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS THAT:

Section I. Certain provisions of the City of Plano Retirement Security Plan as Restated January 1, 2007 and the City of Plano Retirement Security Plan as Restated January 1, 2011 are amended as follows:

1. The definition of “Normal Retirement Date” in Section 2.1(p) of the 2007 Restatement is amended to read in its entirety as follows (the definition of “Normal Retirement Date” in Section 2.1(q) of the 2011 Restatement already reads as follows):

(p) Normal Retirement Date: The later of the sixty-fifth (65th) birthday of an Employee, or the date on which the Employee completes five (5) years of Credited Service.

Any benefits which are to commence as of an Employee's Normal Retirement Date shall not actually commence until the first day of the month coinciding with or next following said Normal Retirement Date.

2. Effective as of January 1, 2003, Section 5.5(e)(1) of the 2007 Restatement and the 2011 Restatement is amended to read in its entirety as follows:

(1) Designated beneficiary. The individual who is designated as the beneficiary under Section 8.3 of the Plan and is the designated

beneficiary under Section 401(a)(9) of the Internal Revenue Code and Section 1.401(a)(9)-4 of the Treasury Regulations.

3. Effective as of January 1, 2003, the second sentence of Section 5.5(e)(4) of the 2007 Restatement and the 2011 Restatement is amended to read in its entirety as follows:

In the case of an Employee who continues in employment after attaining 70½, the Required Beginning Date is April 1 of the calendar year following the calendar year in which the Employee retires.

4. Section 6.4 of the 2007 Restatement and the 2011 Restatement is amended to read in its entirety as follows:

6.4 Deferred Vested Pension: An Employee who meets the requirements for a Deferred Vested Pension shall receive a nonforfeitable right to his Accrued Benefit (computed in accordance with the provisions of Section 6.2 hereof). Effective January 1, 2002, if the Employee has fewer than five (5) years of Credited Service, the Accrued Benefit will be adjusted by the following schedule:

<u>Years of Credited Service</u>	<u>Nonforfeitable Percentage</u>
Less than 5	0
5 or more	100

An Employee who reaches his Normal Retirement Date shall also have a 100% vested and nonforfeitable right to his Accrued Benefit hereunder.

If an Employee is eligible and payment of a Deferred Vested Pension commences prior to the first day of the month coincident with or next following the Employee's 65th birthday, the amount determined above shall be reduced by one-fifteenth (1/15th) for each year by which the starting date of Pension payments precedes such first day of the month.

5. Article 12 of the 2011 Restatement is amended to add a new Section 12.6 at the end of such Article, such Section to read in its entirety as follows:

12.6 Vesting Upon Termination: Upon termination of the Plan, each Employee shall have a 100% vested and nonforfeitable right to his Accrued Benefit hereunder.

6. Section 14.5 of the 2007 Restatement is amended to read in its entirety as follows:

14.5 Vesting Upon Termination: Upon termination of the Plan, each Employee shall have a 100% vested and nonforfeitable right to his Accrued Benefit hereunder.

Section II. The City Manager, or his designee, is hereby authorized to execute the amendments to City of Plano Retirement Security Plan Restated January 1, 2007 and January 1, 2011 and all other documents in connection therewith on behalf of the City of Plano.

Section II. The City Manager, or his designee, is hereby authorized to execute any related documents in connection therewith on behalf of the City of Plano, substantially according to the amendments set forth above.

Section III. All provisions of the Code of Ordinances of the City of Plano in conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Code of Ordinances of the City of Plano not in conflict with the provisions of this Ordinance shall remain in full force and effect.

Section IV. It is the intention of the City Council that this Ordinance, and every provision hereof, shall be considered severable, and the invalidity or unconstitutionality of any section, clause, provision or portion of this Ordinance shall not affect the validity or unconstitutionality of any other portion of this Ordinance.

Section V. The repeal of any Ordinance or part of Ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such Ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the municipality under any section or provisions at the time of passage of this ordinance.

Section VI. This Ordinance shall become effective immediately upon its passage and publication as required by law.

DULY PASSED AND APPROVED this the 25th day of June, 2012.

Phil Dyer, MAYOR

ATTEST:

Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

Diane C. Wetherbee, CITY ATTORNEY