

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

01-287

SYNOPSIS -

AGENDA:

JUNE 4, 2001

Approval of trust agreement and authorization to execute loan plan guidelines with ICMA-RC Washington, D.C. (Girard Miller, President and Chief Executive Officer) for administration of an IRC Section 401(a) Money Purchase Pension Plan with loan provision for Supervisory, Professional, and Management (SPM) employees.

SUBJECT:

SECTION 401(A)
PLAN-TRUST
AGREEMENT AND
LOAN GUIDELINES

FISCAL IMPACT -

None. All fees and costs to be borne by plan participants.

TYPE:

RECOMMENDATION -

Approval.

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

BACKGROUND -

SUBMITTED BY:

THOMAS G.
TURNER HUMAN
RESOURCES
DIRECTOR

On April 16, 2001, by Roll Call No. 01-1147, Council approved ICMA-RC as the plan provider for a 401(a) plan for SPM employees.

To complete implementation of the 401(a) plan, City Council needs to adopt the trust agreement and loan guidelines. By approving these resolutions, Council is authorizing employee and employer 401(a) contributions to be invested in the ICMA Retirement Trust and approving the 401(a) Plan Loan Guidelines.

A summary of the 401(a) loan guidelines is as follows:

1. Loans are available from both employer and employee contributions.
2. Loans are available for all purposes.
3. Participants can have only one outstanding loan at a time.
4. Non-principal residence loans must be paid over a maximum of five years and principal residence loans up to a maximum

of 30 years.

5. All loans are due and payable in full upon separation of service.
