

Meeting Agendas/Info

CITY COUNCIL COMMUNICATION:	ITEM _____
01-622	OFFICE OF THE CITY MANAGER CITY OF DES MOINES, IOWA
AGENDA: DECEMBER 17, 2001	SYNOPSIS - Recommend changing the existing 457(b) Deferred Compensation Plans and the SPM 401(a) Money Purchase Plan to fully incorporate the provisions set-forth by the Economic Growth and Tax Relief Reconciliation Act of 2001.
SUBJECT: DEFERRED COMPENSATION PLAN AMENDMENTS	FISCAL IMPACT - None.
TYPE: <u>RESOLUTION</u> ORDINANCE RECEIVE/FILE	RECOMMENDATION - Authorize the Legal Department to draft 457(b) and 401(a) plan document changes in accordance with the Economic Growth and Tax Relief Reconciliation Act of 2001 and approve such changes, and for the Mayor to execute.
SUBMITTED BY: TOM TURNER HUMAN RESOURCES DIRECTOR	BACKGROUND - On June 7, 2001, President Bush signed into law the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). This tax legislation includes significant changes to the tax rules governing retirement accounts and specifically IRC 457(b) and 401(a) plans. EGTRRA provides for substantially increased contribution limits, more flexible distribution rules, rollovers, and other important changes. The table attached to the roll call enumerates these provisions. By including these provisions promulgated by EGTRRA, City employees and retired City employees will have more flexibility in investing for their retirement and greater flexibility in accessing their plan assets during their retirement.