



## **Request for City Council Committee Action from the Department of Human Resources**

**Date:** November 27, 2012

**To:** Ways and Means / Budget Committee

**Referral to:** City Council

**Subject:** Minnesota Deferred Compensation Plan (MNDCP) – Roth Contribution Option

**Recommendation:** Amending Resolution 2012R-279 which eliminated the ING and ICMA deferred compensation plan options and transferred the assets of the participants' ING and ICMA accounts to the MNDCP to authorize a Roth option which will permit an employee to designate some or all of his/her MNDCP contribution as a Designated Roth Contribution.

**Previous Directives:** May 11, 2012: Adoption of Resolution 2012R-279 entitled "Eliminating the ING and ICMA deferred compensation plan options, transferring the assets of the participants' ING and ICMA accounts to the Minnesota Deferred Compensation Plan and offering only the Minnesota Deferred Compensation Plan".

April 14, 1995: Extended the ICMA 457 Plan option to all city employees.

March 10, 1978: Established by Resolution 78R-080 an arrangement with the ICMA for certain employees to defer compensation in the ICMA 457 plan option.

November 6, 1975: Established by Resolution a deferred compensation option through the State of Minnesota.

June 7, 1973: Established by Resolution an arrangement with ING for employees to defer compensation through "The City of Minneapolis Deferred Compensation Plan".

### **Department Information**

Prepared by: Joyce Traver and Susan Trammell

Approved by: \_\_\_\_\_  
Timothy Giles  
Interim Human Resources Director

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Paul W. Aasen  
City Coordinator

Presenters in Committee: Joyce Traver and Susan Trammell

**Financial Impact**

- No financial impact

**Supporting Information**

In May 2012 the City Council authorized Finance, Human Resources and the Office of the City Attorney to engage in activities that would terminate the ING and ICMA Deferred Compensation Plan options as of September 3, 2012, and thereafter offer only the MNDCP to all participants and eligible employees of the City. The transition to the MNDCP went smoothly and now that the transition is basically complete.

The MNDCP began offering the Designated Roth Contributions beginning January 1, 2012. The MNDCP will accept elective deferrals designated by the participants as Roth Contributions upon authorization of the Participant's employer. By adopting the attached resolution, the City's participants will be able to designate some the MNDCP Roth option can be offered to employees provided the City authorizes the participation.

The designation of contributions as Roth contributions will require some record keeping changes for payroll purposes thus the authorization is being requested for the beginning of the next plan year which is January 1, 2013.