



**MEMORANDUM
HUMAN RESOURCES**

TO: Board of Supervisors
FROM: Lori Walsh, Human Resources Director
SUBJECT: Deferred Compensation Plan Restatement

DATE: April 5, 2016

ACTION REQUESTED

Authorize the Director of Human Resources and the Deferred Compensation Committee Chair to sign the MassMutual Deferred Compensation Plan Restatement Package for submission to the Internal Revenue Service.

BACKGROUND

The Placer County Deferred Compensation Program (Program) currently consists of four defined contribution plans: (1) the Mass Mutual Retirement Accumulation Plan for the Employees of the County of Placer (a 401(k) plan); (2) the CalPERS Placer County 401(k) Plan; (3) the Mass Mutual Placer County Deferred Compensation Plan (a 457(b) plan); and (4) the CalPERS 457 Deferred Compensation Plan.

The County has contracted with MassMutual to provide administrative and recordkeeping services for the 401(k) plan. Our Mass Mutual 401(k) plan was last restated in 2010. Placer County's plan uses a pre-approved IRS Volume Submitter document along with a Summary Plan Description that delineates Placer plan specifics. Under a pre-approved document, the Internal Revenue Service (IRS) generally requires a restatement of the plan documents every six years to reflect certain changes in tax law due to legislation, such as the Pension Protection Act of 2006 (PPA), and other applicable IRS guidance. We have elected to use the MassMutual document preparation services to restate our Volume Submitter pre-approved plan document.

Staff have reviewed the draft plan documents for the restatement and submitted our edits to MassMutual to produce a final draft to be signed by the Plan Administrator (for the Board of Supervisors) and the Plan Trustee (the Deferred Compensation Committee). The deadline for adopting the restatement for pre-approved plans is April 30, 2016.

The restatement only makes minor changes in the current Mass Mutual 401(k) Plan. Those plan changes for the restatement include:

1. Changed the beneficiary default (when a participant has not otherwise designated a beneficiary) to be participant's spouse, then children, then estate (currently it is participant's spouse and then estate).
2. Minimum loan amount revised from \$1000 to \$2000.
3. Participants must wait six months after paying off a 401(k) loan before they are eligible for another loan.

FISCAL IMPACT

The total cost for plan restatements on the MassMutual Volume Submitter pre-approved plan is \$800, which is currently budgeted in the Human Resources Department budget.

ATTACHMENTS

Attachment 1 – Deferred Compensation Plan Restatement – On File at the Clerk of the Board