



Legislation Text

File #: 16-311, **Version:** 1

Report Prepared by: Joni Vierra, Payroll Coordinator, Finance

SUBJECT: Amend Existing Administrative Services Agreement with ICMA-Retirement Corporation Addressing Individual Retirement Accounts (IRAs) for Participants

REPORT IN BRIEF

The current IRAs available to participants through ICMA-Retirement Corporation are scheduled to close September 2016. This amendment is necessary in order to restructure the IRA platform for participants.

RECOMMENDATION

City Council - Adopt a motion approving an amendment to the existing Administrative Services Agreement with ICMA-Retirement Corporation by offering the Vantagepoint Payroll Deduction IRA Program as the new IRA platform.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Refer back to staff for reconsideration of specific items; or,
3. Deny the request

AUTHORITY

Section 200 of the City of Merced Charter

CITY COUNCIL PRIORITIES

Not applicable

DISCUSSION

The City of Merced currently offers Roth and Traditional IRA Plans through ICMA-Retirement Corporation. ICMA-Retirement Corporation recently announced the fund restructuring of its proprietary investment options to a collective investment trust only structure. To accomplish this the IRAs currently available to participants are scheduled to close September 2016.

ICMA-Retirement Corporation is offering a Vantagepoint Payroll Deduction IRA Program as an alternative to the Plan that is closing. Existing participants enrolled in the current plan will be able to roll over assets into this new platform. An ICMA-Retirement Corporation specialist will notify and work directly with participants to assist with transferring assets.

IMPACT ON CITY RESOURCES

None

ATTACHMENTS

1. Letter agreement to amend existing Administrative Services Agreement
2. Administrative Services Agreement