

RESOLUTION NUMBER R- 305811
DATE OF FINAL PASSAGE MAY 06 2010

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AMENDING AND RESTATING THE SUPPLEMENTAL PENSION SAVINGS PLAN [SPSP], SUPPLEMENTAL PENSION SAVINGS PLAN – HOURLY [SPSP-H] AND 401(k) PLAN DOCUMENTS TO REFLECT REVISIONS DUE TO FEDERAL LEGISLATIVE CHANGES, DIRECTION OF THE INTERNAL REVENUE SERVICE [IRS] THROUGH THE VOLUNTARY CORRECTION PROGRAM [VCP], ADMINISTRATIVE CHANGES IN OPERATION OF THE PLANS, AND RATIFIED AGREEMENTS WITH THE CITY OF SAN DIEGO’S LABOR ORGANIZATIONS.

WHEREAS, amending and restating the SPSP, SPSP-H, and 401(k) plan documents is necessary to reflect required federal legislative changes, merger of the SPSP and Supplemental Pension Savings Plan – Medicare [SPSP-M] plans, and other administrative efficiencies required by the City’s third party administrator; and

WHEREAS, amending and restating the SPSP plan document is also necessary as a result of meet and confer resulting in ratified agreements with the Municipal Employees’ Association [MEA], AFSCME Local 127, and the Deputy City Attorneys Association [DCAA], whereby a new pension plan for represented non-safety employees hired on or after July 1, 2009, was instituted, eliminating their SPSP participation; and

WHEREAS, the elimination of SPSP participation for all non-safety employees hired on or after July 1, 2009, was approved by City Council on August 6, 2008, by Resolution R-303977; and

WHEREAS, amending and restating the SPSP plan document is also necessary as a result of meet and confer resulting in a ratified agreement with Teamsters 911, eliminating SPSP participation for Lifeguard safety employees who are hired on or after January 1, 2011; and

WHEREAS, staff identified other administrative changes to be made to the SPSP, SPSP-H, and/or 401(k) plan documents such as: (1) expanding hardship withdrawal reasons to include costs directly related to the purchase of a Participant's primary residence and payment of tuition and other related education expenses for post-secondary education; (2) removing the requirement for spousal consent for in-service withdrawals and loans to allow for paperless transactions; (3) eliminating installment form of distribution for beneficiaries; (4) allowing the return of plan-to-plan transfer amounts previously made to SDCERS to correct SDCERS administrative errors; (5) expanding the definition of disabled to allow plan distributions prior to termination of employment; (6) increasing the limit that may be automatically paid out without participant consent upon a distributable event from \$3,500 to \$5,000; and (7) permitting non-spouse beneficiaries to make direct rollovers to an IRA; and

WHEREAS, amending and restating the SPSP, SPSP-H, and 401(k) plan documents is necessary due to changes in federal law including the Economic Growth and Tax Relief Reconciliation Act of 2001; the Pension Protection Act of 2006; the Uruguay Round Agreements Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Internal Revenue Service Restructuring and Reform Act of 1998, and the Community Renewal Tax Relief Act of 2000 (collectively known as [GUST]); Heroes Earnings Assistance and Relief Tax Act of 2008; automatic rollover provision under section 401(a)(31)(B) of the Internal Revenue Code [Code] and the Final Regulations to Code sections 401(a)(9), 401(k), 401(m), and 415; and

WHEREAS, to insure compliance and continuing qualification of the plans, staff on January 29, 2009, submitted the amended plan documents to the IRS pursuant to its VCP Program; and

WHEREAS, the IRS requested additional changes, which were incorporated into the plan documents; and

WHEREAS, the City received favorable determination letters from the IRS dated February 3, 2010, on the SPSP, SPSP-H, and 401(k) plans, and was given a ninety-one (91) day period for formal approval by City Council of the amended plan documents; and

WHEREAS, the SPSP plan requires a vote of the plan participants for any plan changes that are not required due to changes in law; and

WHEREAS, unlike SPSP, changes to the SPSP-H and 401(k) plans do not require a vote of their memberships; and

WHEREAS, the elimination of SPSP participation for non-safety employees hired on or after July 1, 2009, and Lifeguard safety employees hired on or after July 1, 2011, is subject to a vote of the SPSP membership; and

WHEREAS, the administrative changes to the SPSP plan are subject to a vote of the SPSP membership; and

WHEREAS, the SPSP plan vote of participants has commenced and is expected to be completed as of the date of passage of this resolution; and

WHEREAS, notice of all plan document changes was provided to all of the City's labor organizations; and

WHEREAS, all changes to the SPSP, SPSP-H, and 401(k) plan documents reflected as restated plan documents are on file in the Office of the City Clerk as Document Numbers:

RR- 305811⁻¹ (SPSP)

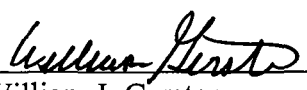
RR- 305811⁻² (SPSP-H)

RR- 305811⁻³ (401(k));

NOW, THEREFORE, BE IT RESOLVED, that the Council of the City of San Diego approves, ratifies, and adopts the restated and amended SPSP, SPSP-H, and 401(k) plan documents; and

BE IT FURTHER RESOLVED, that the Mayor or his designee is authorized to execute the restated SPSP, SPSP-H and 401(k) plan documents.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
William J. Gersten
Deputy City Attorney

WJG:ccm
4/16/2010
5/4/2010 COR. COPY
Or.Dept:Risk Management
R-2010-770

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 03 2010.

ELIZABETH S. MALAND
City Clerk

By *Mary Zimmann*
Deputy City Clerk

Approved: 5.6.10
(date)

JSL
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor