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STAFF REPORT

Date: May 15, 2019

To: TRPA Governing Board

From: TRPA Staff

Subject: Adoption of Fourth Amendment to the Tahoe Regional Planning Agency Money Purchase Plan

Summary and Staff Recommendation:

Staff requests that the Operations and Governance Committee recommend approval of the attached Resolution (Attachment A) approving the Fourth Amendment to the Money Purchase Plan, effective as of June 1, 2019, to no longer accept rollover contributions, and to exclude certain forms of compensation from the definition of compensation for contributions to this plan.

Required Motion:

In order to approve the Resolution, the Board must make the following motion based on the staff summary:

- 1) A motion to adopt Resolution 2019-__ approving the TRPA Fourth Amendment to the Money Purchase Plan as shown in Attachment A

In order for motion to pass, an affirmative vote of any eight board members is required.

Background:

The Agency's benefits plans include an Agency-funded 401(a) plan known as the "Money Purchase Plan" (MPP). The MPP is a Social Security Replacement Plan which comes with certain regulatory restrictions on investments and management. Staff recognizes that if employees roll over retirement funds from other sources into this MPP, that they will not have the ability to direct investments due to the structure of the MPP, therefore we recommend removing this option. Employees will have two other, more favorable options: rolling money into the Agency's 457 Plan, which has more investment choices and employee discretion to choose investments, or a rollover account external to the Agency. In addition, this amendment defines "Compensation" for the MPP to focus on W-2 Compensation and to exclude fringe benefits.

Contact Information:

For questions regarding this agenda item, please contact Chris Keillor, at (775) 589-5222, or ckeillor@trpa.org, or Susan Strating, at (775) 589-5238 or sstrating@trpa.org.

Attachment:

A. Resolution 2019 –

Attachment A
Resolution

TAHOE REGIONAL PLANNING AGENCY
TRPA RESOLUTION NO. 2019 –

FOURTH AMENDMENT TO THE TAHOE REGIONAL PLANNING AGENCY MONEY PURCHASE PLAN

WHEREAS, The Employer is a governmental employer under Code section 414(d) and not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA); and

WHEREAS, The Employer adopted the plan effective July 1, 2012 as its Social Security Retirement Plan; and

WHEREAS, The Employer amended the Plan, effective July 1, 2012, to prohibit the participation in the Plan of any temporary employee; and

WHEREAS, The Employer amended the plan, effective July 1, 2012, to make certain technical corrections in connection with a Favorable Determination Letter from the Internal Revenue Service; and

WHEREAS, the Employer amended the plan, effective January 1, 2019, to change the name of the Plan;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the Tahoe Regional Planning Agency approve the attached Fourth Amendment to the TRPA Money Purchase Plan to no longer accept rollover contributions, and to exclude certain forms of compensation from the definition of compensation under the Plan.

PASSED and ADOPTED by the Governing Board of the Tahoe Regional Planning Agency this 22 day of May 2019, by the following vote:

Ayes:
Nays:
Absent:

William Yeates, Chair
Tahoe Regional Planning Agency
Governing Board

**FOURTH AMENDMENT TO THE
TAHOE REGIONAL PLANNING AGENCY
MONEY PURCHASE PLAN**

Tahoe Regional Planning Agency (Employer) hereby adopts this fourth amendment to the Tahoe Regional Planning Agency Money Purchase Plan (Plan), to be effective as of June 1, 2019.

RECITALS

- A. The Employer is a governmental employer under Code section 414(d) and not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).
- B. The Employer adopted the Plan effective July 1, 2012 as its Social Security Retirement Plan.
- C. The Employer amended the Plan, effective July 1, 2012, to prohibit the participation in the Plan of any temporary employee.
- D. The Employer amended the Plan, effective July 1, 2012, to make certain technical corrections in connection with a favorable determination letter from the Internal Revenue Service.
- E. The Employer amended the Plan, effective January 1, 2019, to change the name of the Plan.
- F. The Employer now wishes to amend the Plan, effective as of June 1, 2019, to no longer accept rollover contributions and to exclude certain forms of compensation from the definition of compensation under the Plan to conform the definition of compensation with the proposed Discretionary Contribution Plan to be adopted by the Employer.

OPERATIVE PROVISIONS

In accordance with the foregoing recitals, the Employer hereby amends the Plan effective June 1, 2019, as follows:

- 1. Section 2.08.A. "Compensation" is amended and restated to read as follows:

2.08. A. Compensation.

Except as otherwise provided, "Compensation" means:

1. Form W-2 Compensation.

"Compensation" means wages within the meaning of Code section 3401(a) and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code sections 6041(d), 6051(a)(3), and 6052. Compensation must be determined without regard to any rules under Code section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code section 3401(a)(2)).

2. Exclusions From Compensation.

Compensation shall not include fringe benefits (cash and noncash), reimbursements or other expense allowances, moving expenses, deferred compensation, and welfare benefits, even if includible in gross income.

3. Additions To Compensation.

"Compensation" shall also include any amount which is contributed by the Employer pursuant to a salary reduction agreement and which is not includible in the gross income of the Employee under Code section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k) or 457(b).

4. Compensation While A Participant.

For the purpose of determining contributions under the Plan, Compensation shall include only amounts that were paid while the Employee is a Participant.

5. Payments After Severance From Employment.

"Compensation" shall not include any amounts paid after the Employee has a Severance From Employment, as described in Treasury regulations section 1.415(c)-2(e)(3), except for payments to an individual who does not currently perform services for the Employer by reason of qualified military service (within the meaning of Code section 414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the Employer rather than entering qualified military service.

2. Section 4.03. "Rollover Contributions" is amended and restated to read as follows:

4.03. Rollover Contributions.

Rollover Contributions shall not be accepted.

3. This amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment. Except as amended above, the remaining provisions of the Plan shall remain in full force and effect.

Executed this ____ day of _____, 2019.

Employer:

TAHOE REGIONAL PLANNING AGENCY

By: _____

Title: _____