City of Joplin City Council Agenda Item

REQUESTED COUNCIL MEETING DATE: DECEMBER 7, 2015

ITEM: COUNCIL BILL NO. 2015-542
ORIGINATING DEPARTMENT: FINANCE DEPARTMENT

Finance Director: Leslie Haase
City Attorney: Peter Edwards
City Manager: Sam Anselm

INTRODUCTION:

This Council Bill approves an amendment to the Policemen's and Firemen's Pension Plan to make various language changes to comply with the Internal Revenue Code.

DISCUSSION:

The Policemen's and Firemen's Pension Plan received an IRS tax determination letter in September of 2012. Following this, the plan language has been revised at various times to ensure the plan retains the ongoing qualified tax status. There are also changes to make certain language clarifications. Here is a summary of the changes and why each change is being proposed:

1. Section 1.14-Clarification language.
2. Section 1.17-Correct a typographical error.
3. Section 1.19-Wording correction.
4. Section 1.24-Correct a typographical error.
5. Section 2.3-Clarification language.
6. Section 2.4 (A)-Correct a typographical error.
7. Section 2.4 (B)-Military requirement amendment.
8. Section 3.7 (B)-COLA adjustment published by the Internal Revenue Service.
9. Section 3.9-Provides a more specific reference to the IRS regulations, which the IRS has been requesting when reviewing plans for determination letters.
10. Section 5.3-Clarification language.
11. Section 6.2-Provisions regarding specific contribution requirements were deleted, because the provisions are no longer applicable.
12. Section 10.8-Reflects RSMo. 105.669, which was effective August 28, 2014.

Any change to the Policemen's and Firemen's Pension Plan must be approved by the membership through an election and ratified by the City Council in an ordinance. An official election of the pension membership was held from October 19, 2015 through November 13, 2015. The membership voted 118 in favor and 2 against for the proposed plan amendment. Following the adoption of the plan revisions, the Pension Plan will seek an updated tax determination status letter from the IRS.

RECOMMENDATION:

City Staff recommends this Council Bill be approved on an emergency basis.