

RESOLUTION NO. 16-151

**A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF COMMERCE,  
CALIFORNIA, APPROVING THE AGREEMENT WITH ICMA RETIREMENT  
CORPORATION, THEREBY ESTABLISHING A 401(A) MONEY PURCHASE PLAN**

WHEREAS, the City currently offers its employees the ability to save for retirement through a 457 Deferred Compensation Plan ("457 plan") via two providers: ICMA Retirement Corporation ("ICMA") and Voya. 457 plans allow employees to defer money to their account before taxes, thus providing a method of savings while lowering their taxable income; and

WHEREAS, City staff is proposing that the City establish a 401(a) Money-Purchase Retirement Plan ("401(a) plan") through ICMA as an additional means to supplement employee retirement savings; and

WHEREAS, benefits of implementing a 401(a) include: (1) they provide another pre-tax means of saving with a contribution limit separate from the 457 plan limits and (2) they are easy to customize, and (3) the City could use additional retirement plan options to recruit and retain highly capable employees; and

WHEREAS, staff plans for the City to offer the 401(a) plan to all employees on a voluntary basis. However, the plan will initially be offered only to the City Administrator. Staff will meet with the bargaining group for the City's employees to gauge interest in the plan and discuss potential plan design and widespread implementation.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES RESOLVE AS FOLLOWS:

Section 1. The Agreement with ICMA Retirement Corporation to establish a 401 (a) Money-Purchase Retirement Plan is hereby approved. The Mayor is authorized to execute the Agreement for and on behalf of the City.

PASSED, APPROVED AND ADOPTED this 6<sup>th</sup> day of December 2016.

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Ivan Altamirano, Mayor

ATTEST:

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Lena Shumway, City Clerk