



Legislation Details (With Text)

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|----------------------|---|----------------------|-----------------|--------------|------------------------|
| File #: | ID#18-5098 | Version: | 1 | Name: | ICMA contract approval |
| Type: | Action Item | Status: | Passed | | |
| File created: | 8/31/2018 | In control: | Human Resources | | |
| On agenda: | 9/20/2018 | Final action: | 9/20/2018 | | |
| Title: | Approve an agreement, for the period of January 1, 2019 through December 31, 2023, between the City of Clearwater and International City Management Association Retirement Corporation (ICMA-RC) to maintain management of the City 401a Money Purchase Pension Plan and become the sole provider for the voluntary 457 Deferred Compensation plan and authorize the appropriate officials to execute same. (consent) | | | | |

Sponsors:

Indexes:

Code sections:

Attachments: 1. Clearwater Agreement.pdf, 2. Exhibit B - RFP 16-18 457(b) and 401(a) Plans Manager.pdf

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------|--------|--------|
| 9/20/2018 | 1 | City Council | | |
| 9/17/2018 | 1 | Council Work Session | | |

SUBJECT/RECOMMENDATION:

Approve an agreement, for the period of January 1, 2019 through December 31, 2023, between the City of Clearwater and International City Management Association Retirement Corporation (ICMA-RC) to maintain management of the City 401a Money Purchase Pension Plan and become the sole provider for the voluntary 457 Deferred Compensation plan and authorize the appropriate officials to execute same. (consent)

SUMMARY:

ICMA currently manages the City's 401a Money Purchase Pension Plan and both Nationwide and ICMA provides services for the voluntary 457 deferred compensation programs. An RFP was issued asking for bids to maintain the current two vendor relationship or utilizing one vendor.

The City received 10 responses and the RFP evaluation committee consisted of the HR and Finance Directors, HR Benefits Manager, Assistant Director Planning and Development, Finance Pension Coordinator, and the Vice President, CWA Local 3179. The City's deferred compensation consultant, Montgomery Retirement Investment Advisers assisted the committee. The recommendation was to keep ICMA-RC as the provider for the 401a plan and the sole provider for the City's 457 plan.

Having one vendor will reduce service fees to participants by 83%. Employees will save \$160.00 annually for every \$50,000 in their retirement account. 100% of the savings will go to employees.

The transition is expected to take 4-6 months and the City will work with each of the 309 Nationwide participants affected to ensure a smooth transition.

APPROPRIATION CODE AND AMOUNT:

The 401a Money Purchase Pension Plan is funded by city contributions only and is provided to those hired into a SAMP 4 or higher positions who are not enrolled in the pension plan. The City's 2018-2019 401a Money Purchase Pension Plan premiums are estimated at \$400,000.

The voluntary 457 deferred compensation plan is funded by plan participants and there is no cost to the City associated with this plan.