

**MEMORANDUM**

**To:** Mayor and City Council

**From:** Chris Pike, Finance Director

**Date:** July 14, 2014

**Subject:** **Discussion of Employee Salary Deferral Plan Amendment**

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**ITEM DESCRIPTION**

Discussion of 457 Plan Amendment for the City of Dunwoody's Employee Salary Deferral Plan

**BACKGROUND**

The City currently maintains three retirement plans for its employees. One plan is the 457 Plan, consistently entirely of employee contributions to the plan via salary reductions. The reason the restatement is needed is that the DOL and IRS require all documents be restated every 5 years. This is required to stay up on the constantly changing regulations and laws associated with the different plans. Section 7 is "changed" to prohibit independent contractors from participating (though everyone I spoke with confirmed this is a restatement rather than a change). In regard to Section 30, this involves rollovers coming into the plan. If a participant has retirement funds at a previous employer they can roll the assets over into your plan.

The timing of this amendment is entirely coincidental to the other plan amendment as our plan provider is doing all 457 plans at this time. As a side note, we have one other plan that I suspect will need a similar restatement in the near future.

**RECOMMENDED ACTION**

Discussion of Plan Amendment for Future Approval Consideration