

March 21, 2016

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 9081 authorizing the City of Bellevue Employees' Retirement Benefit Plan Committee Chair (MEBT Bellevue Plan Committee Chair) or its designee to execute the First Amendment to the City of Bellevue Employees' Retirement Benefit Plan (Bellevue MEBT Plan) to amend the Bellevue MEBT Plan by replacing the existing Plan Section 3.1 with the amended Plan Section 3.1 that updates the definitions of employees eligible to participate in accordance with changes adopted by Council in the Bellevue Human Resources Code under Chapter 3.79. Said plan amendment is effective January 1, 2015.

FISCAL IMPACT

The proposed Amendment results in no new fiscal impacts to the City and only minor policy updates. The costs associated with the administration of the Bellevue MEBT Plan are borne by the Bellevue MEBT Plan participants. No increase in participant rates is anticipated as a result of the recommended plan changes.

STAFF CONTACT

Paula Dillon, Senior Retirement Analyst 452-7198

Ron Kessack, Bellevue MEBT Plan Committee Chair 452-7821

Human Resources

POLICY CONSIDERATION

The City of Bellevue is the Bellevue MEBT Plan Sponsor. The Bellevue MEBT Plan requires City Council approval of any changes to the Bellevue MEBT Plan document.

Should the Council approve authorizing the Bellevue MEBT Plan Committee Chair or its designee to execute the First Amendment?

DIRECTION NEEDED FROM COUNCIL

 X Action

BACKGROUND

The Employer desires to amend the Bellevue MEBT Plan to update the definitions of employees eligible to participate in accordance with changes adopted by the Council in the Bellevue Human Resources Code under Chapter 3.79. The existing Plan Section 3.1 is deleted and replaced effective January 1, 2015 as follows:

3.1 **Eligible Employees.** Each Employee designated below is an Eligible Employee and is eligible to become a participant in this Plan on or after the date on which his or her Employment with the Employer commences, provided that such Employee would have been eligible for coverage under the Federal Old Age, Survivors, Disability and Health Insurance Act had the Employer not withdrawn from such coverage pursuant to 42 U.S.C.A., Section 418(g):

- (a) employees designated in the Employer's Human Resources Code (Chapter 3.79) as fully benefited employees;

- (b) members of the City Council of the Employer;
- (c) employees designated by the City Council of the Employer as eligible to participate, in the manner designated by the City Council;
- (d) grandfathered regular part-time benefited employees as provided in Chapter 3.79.040, as amended (at the time of Code adoption 14 who are maintained according to a specific list).

All other employee classifications are not eligible to participate. The term Eligible Employees does not include MEBT II Employees. However, MEBT II Employees participate in the mandatory portion of this Plan. They are included as “Employees” and participate in those mandatory portions unless the Plan reference specifies otherwise. While members of the City Council are Eligible Employees, those who do not elect to participate in an Employer sponsored retirement system satisfying Code Section 3121(b)(7)(F) must participate in MEBT II.

EFFECTIVE DATE

If approved, this Resolution becomes effective immediately upon Council adoption. The Amendment shall be effective January 1, 2015.

OPTIONS

1. Adopt the Resolution authorizing the City of Bellevue Employees’ Retirement Benefit Plan Committee Chair (MEBT Bellevue Plan Committee Chair) or its designee to execute the First Amendment to the City of Bellevue Employees’ Retirement Benefit Plan (“Bellevue MEBT Plan”) to amend the Bellevue MEBT Plan by **replacing the existing** Plan Section 3.1 with the amended Plan Section 3.1 that updates the definitions of employees eligible to participate in accordance with changes adopted by Council in the Bellevue Human Resources Code under Chapter 3.79. Said plan amendment is effective January 1, 2015.
2. Do not adopt the recommended Bellevue MEBT Plan Amendment and provide alternate direction to staff and the Bellevue MEBT Plan Committee.

RECOMMENDATION

Option 1.

MOTION

Move to adopt Resolution No. 9081 authorizing the City of Bellevue Employees’ Retirement Benefit Plan Committee Chair or its designee to execute the First Amendment to the City of Bellevue Employees’ Retirement Benefit Plan (“Bellevue MEBT Plan”) to amend the Bellevue MEBT Plan by replacing **the existing** Plan Section 3.1 with the amended Plan Section 3.1 that updates the definitions of employees eligible to participate in accordance with changes adopted by Council in the Bellevue Human Resources Code under Chapter 3.79. Said plan amendment is effective January 1, 2015.

ATTACHMENTS

Proposed Resolution No. 9081

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

Bellevue MEBT First Amendment

History and background of MEBT and the Bellevue Plan

Bellevue MEBT Plan Members