

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
5	07/24/17	Open	Action	07/11/17

Subject: Delegating Authority to the General Manager/CEO to Approve an Agreement with MassMutual for an Alternative Retirement 401(a) Plan.

ISSUE

Whether or not to delegate authority to the General Manager/CEO to approve an Agreement with MassMutual for providing an Alternative Retirement Service 401(a) plan.

RECOMMENDED ACTION

Adopt Resolution No. 17-07-___, Delegating Authority to the General Manager/CEO to Negotiate and Approve an Agreement with MassMutual for Providing an Option for an Alternative Retirement Service 401(a) Plan.

FISCAL IMPACT

There is no fiscal impact to SacRT as a result of this action as the costs of the plan will be paid by plan participants as a result of this action.

DISCUSSION

SacRT's current 457(b) Deferred Compensation Plan allows employees and SacRT to make contributions to a tax deferred retirement plan, subject to annual IRS contribution limits. Because the existing 457(b) Deferred Compensation Plan has annual IRS contribution limits and other restrictions, SacRT has explored the option of establishing a 401(a) Plan to supplement and provide additional retirement options for existing and new employees.

The IRS also allows SacRT to establish a 401(a) Plan as a means of providing additional retirement savings opportunities for employees. Approving an Agreement with MassMutual is the first step in establishing a 401(a) Plan for SacRT employees.

Since the 401(a) Plan will initially be a very small retirement plan, SacRT will be best served keeping it with MassMutual, the company SacRT uses for servicing of the 457(b) Plan. All fees and expenses associated with the servicing of the 457(b) Plan are paid by plan participants. Similarly, all fees and expenses associated with the servicing of the 401(a) Plan will be paid by plan participants. Therefore, staff recommends that the Board delegate authority to the General Manager/CEO to approve an Agreement with MassMutual for 401(a) providing an option for an alternative Retirement Service 401(a) Plan.

Approved:

Presented:

Final 07/19/17

General Manager/CEO

Director, Human Resources

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RESOLUTION NO. 17-07-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

July 24, 2017

**DELEGATING AUTHORITY TO THE GENERAL MANAGER/CEO TO
NEGOTIATE AND APPROVE AN AGREEMENT WITH MASSMUTUAL FOR
PROVIDING AN OPTION FOR AN ALTERNATIVE RETIREMENT SERVICE
401(A) PLAN**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE
SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board delegates authority to the General Manager/CEO to negotiate
and approve an Agreement with MassMutual to provide an option for an alternative
Retirement Service 401(a) Plan.

ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary