



MEMORANDUM

Office of the City Attorney

002141
Legistar No. _____

Phone: 334-5011/Fax 334-2229
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TO: Mayor and City Commission

DATE: November 26, 2001
CONSENT

FROM: City Attorney

SUBJECT: Technical amendments to City of Gainesville Employees Pension Plan and the Consolidated Police Officers and Firefighters Retirement Plan


Recommendation: The City Commission authorize the City Attorney to draft and the Clerk of the Commission to advertise an ordinance amending the City of Gainesville Employees Pension Plan and the Consolidated Police Officers and Firefighters Retirement Plan, to comply with technical requirements of the Economic Growth and Tax Relief Reconciliation act of 2001.

Recent federal legislation modified some provisions of the Internal Revenue Code relating to qualifications of retirement plans under the Code. The changes generally involve liberalizing the types of retirement plans to which distributions (generally lump sum) from the General Employees Pension Plan or the Consolidated Pension Plan can be made as "direct rollovers." This allows the money to remain tax-sheltered, i.e., the distribution and direct transfer to the other plan is not a taxable event to the employee or beneficiary. Some of the changes affect distributions made after December 31, 2001, and some changes may only impact events occurring after September 31, 2002. The City Attorney's Office requests authorization to make the technical amendments dealing with distributions occurring after December 31, 2001, while continuing to study, in conjunction with management, proposed changes which may be effective on or before September 30, 2002.

Prepared by:


Charles L. Hauck,
Sr. Assistant City Attorney

Approved and
Submitted by:


Marion J. Radson,
City Attorney

MJR:CLH:sw