


MEMORANDUM

August 2, 2017

TO: Mayor Keil
City Council

CC: Douglas Faseler, City Manager

FROM: Tammy Garcia, Director of Human Resources 

SUBJECT: ICMA-RC 457 Plan Amendment

The deferred compensation plan is a supplemental retirement investment program that was established by the City of Seguin in 1983. The 457 Plan is offered to employees as an optional savings plan designed to supplement the retirement income received from the Texas Municipal Retirement System and Social Security. Participation in the plan is voluntary and employees participate at whatever level they choose with the minimum contribution being \$10 per pay period. The plan is fully funded by employees through payroll deduction.

Roth accounts have been available since 1997 but have not yet been added to the City's plan. After a recent visit from our ICMA-RC Representative, a number of employees made me aware of their interest in participating in these type of accounts. Therefore, it is my recommendation that City Council approve the attached resolution authorizing the amendment of the City of Seguin's ICMA-RC Deferred Compensation Plan to allow for participation in Roth accounts.