

RESOLUTION NO. 2009-366

Adopted by the Sacramento City Council

June 9, 2009

RESOLUTION TO APPROVE THE ESTABLISHMENT OF THE ICMA-RETIREMENT CORPORATION 457 LOAN PROGRAM FOR CITY OF SACRAMENTO EMPLOYEES

BACKGROUND

- A. Currently the City's contract with ICMA-Retirement Corporation (ICMARC) provides that employees may withdraw funds deposited into the 457 Deferred Compensation Plan only upon separation from employment or during unforeseeable emergency circumstances.
- B. As a result of the difficult economic times the City has received an increased number of employee requests to withdraw funds from 457 Retirement Accounts.
- C. The requirement of providing an unforeseeable emergency justification results in an arduous and sometimes lengthy process not serving employees' best interest.
- D. The City of Sacramento has determined that establishing a 457 Loan Program will serve employees by expediting access to 457 Retirement Account funds and eliminating the need for discretion to grant to deny the request to obtain funds, and assist those who may be experiencing a hardship that does not rise to the level of an "unforeseeable emergency."

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. To approve the ICMARC Loan Guideline Agreement terms and conditions attached as Exhibit A that will permit employees to access up to 50% of their 457 Retirement Account funds with an agreement to repay their account through payroll deduction.
- Section 2. To as soon as practicable apply those terms to City of Sacramento employees.

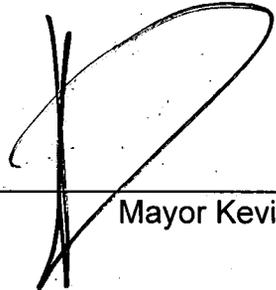
Adopted by the City of Sacramento City Council on June 9, 2009 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: None.



Mayor Kevin Johnson

Attest:


Shirley Concolino, City Clerk