



Legislation Details (With Text)

**File #:** 76341      **Version:** 1      **Name:** Authorizing the execution of Precision Retirement Group Disclosure Statement for Transfer of Assets for the City’s Post Retirement Incurred Medical Expense Plan and Trust and Special Pay Plan

**Type:** Resolution      **Status:** Passed

**File created:** 2/21/2023      **In control:** Human Resources Department

**On agenda:** 3/21/2023      **Final action:** 3/21/2023

**Enactment date:** 3/24/2023      **Enactment #:** RES-23-00259

**Title:** Authorizing execution of the Statement for Transfer of Assets for the City’s Post-Retirement Sick Leave Conversion Medical Reimbursement Plan.

**Sponsors:** Satya V. Rhodes-Conway

**Indexes:**

**Code sections:**

**Attachments:** 1. City of Madison Transfer of Assets Form 01252023.pdf

Date	Ver.	Action By	Action	Result
3/21/2023	1	COMMON COUNCIL	Adopt Unanimously	Pass
3/13/2023	1	FINANCE COMMITTEE	RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER	Pass
3/7/2023	1	COMMON COUNCIL	Refer	Pass
2/21/2023	1	Human Resources Department	Referred for Introduction	

**Fiscal Note**

The proposed resolution transfers assets for the City's post-retirement sick leave conversion medical reimbursement plan to a new trustee. This is done to take advantage of better interest rates for plan participants. The change of trustee does not have a fiscal impact to the City.

**Title**

Authorizing execution of the Statement for Transfer of Assets for the City’s Post-Retirement Sick Leave Conversion Medical Reimbursement Plan.

**Body**

The City of Madison (“Employer”) hereby consent to the following:

WHEREAS, the employer maintains a post-retirement sick leave conversion medical reimbursement plan and trusts and a 401(a) Special Pay Plan (“Plan”) since October 1, 2006, for the benefit of eligible employees to convert accumulated sick leave to cash or for use in purchasing health insurance;

WHEREAS, Pelion Benefits, Inc. is the Trustee of the sick leave conversion and 401(a) plans;

WHEREAS, funds in the Plan currently earn 1% interest for eligible employees;

WHEREAS, it has come to the Employer’s attention that Life Insurance Company of Southwest, Addison TX, is offering a current interest rate of 3% with a guaranteed minimum interest rate of 1%;

WHEREAS, the Employer wishes to take advantage of the rise in interest rates which it deems to be in the best interest of the Plan by transferring the assets in the plan from Annuity Investors Life Insurance Company to Life Insurance Company of the Southwest;

WHEREAS, there is no upfront or deferred sales charge, and the transfer of assets will not affect the participants in the plan;

WHEREAS, the Employer has authorized the Human Resources Director (or other authorized person) to execute Plan documents and perform actions necessary to carry out administration of the Plan.

NOW, THEREFORE BE IT RESOLVED, that the Common Council of the City of Madison authorizes the Human Resources Director to execute the Disclosure Statement for Transfer of Assets and any other related documents required to transfer said funds.