

BILL NO. 2398

ORDINANCE NO. 2225

AN ORDINANCE AMENDING THE CITY OF CHESTERFIELD RETIREMENT PLAN

WHEREAS, the City of Chesterfield has previously established and now maintains the City of Chesterfield Retirement Plan ("Plan") effective as of January 1, 1989, and

WHEREAS, the City Council has previously approved the City of Chesterfield Retirement Plan pursuant to Ordinance Number 367; and

WHEREAS, the Plan is required to be amended to reflect the adoption of a provision to comply with certain Internal Revenue Service guidance, and

WHEREAS, the Board of Trustees of the Plan recommends that the Plan be hereby amended by the adoption of the Fourth Amendment to so comply with the provisions of Internal Revenue Service Notice 2005-5 by amending the Plan to require Participant consent to distributions which exceed \$1,000 (rather than only with respect to those distributions in excess of \$5,000).

WHEREAS, the Board of Trustees of the Plan also recommends that the Plan's vesting schedule, applicable to Participants other than Project Managers and/or Contract Managers, be changed from the current 7-year graded vesting schedule to a 5-year cliff vesting schedule for Employees who become Participants in the Plan on or after January 1, 2006 and that Employees who became Participants prior to January 1, 2006 vest, on and after the date the Amendment is signed, in accordance with whichever vesting schedule (i.e., either the current 7-year graded or the new 5-year cliff schedule) produces the greater vested percentage for each applicable Year of Service such that such prior Participants shall continue to vest in accordance with the 7-year graded schedule for the first 4 Years of Service and then become 100% vested on and after the 5th Year of Service pursuant to the 5-year cliff vesting schedule.

WHEREAS, the Board of Trustees of the Plan recommends that the Plan be hereby amended by the adoption of the Fourth Amendment.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHESTERFIELD, ST. LOUIS COUNTY, MISSOURI, AS FOLLOWS:

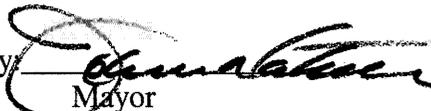
Section 1. The City Council hereby adopts the recommendations of the Board of Trustees of the Plan as reflected in the attached Fourth Amendment and by this reference incorporated herein and made a part hereof and is hereby approved and adopted by the City Council to take effect upon its passage and approval and in accordance with the terms of the Amendment.

Section 2. The City Administrator is hereby authorized to evidence such approval by executing the Fourth Amendment, said amendment shall be effective in accordance with its terms.

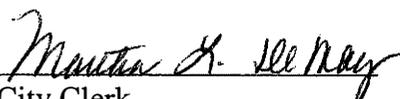
Section 3. This Ordinance shall be in full force and effect from and after its passage and approval.

Passed and approved this 5th day of DECEMBER 2005.

CITY OF CHESTERFIELD

By 
Mayor

ATTEST:


City Clerk

**FOURTH AMENDMENT TO THE
CITY OF CHESTERFIELD
RETIREMENT PLAN**

WHEREAS, the City of Chesterfield ("City") established the City of Chesterfield Retirement Plan ("Plan") effective as of January 1, 1989, and

WHEREAS, said Plan was reflected in an Agreement made and entered into by and between the City and the Chesterfield City Administrator, the Chesterfield Director of Finance, the Chair of the Finance & Administration Committee Chesterfield City Council, Sworn Police Department Representative and Non-Sworn Employee Representative (hereinafter referred to collectively as "Trustee"), and

WHEREAS, as a result of changes required due to the provisions of the General Agreement on Tariffs and Trade, the Uniformed Services Employment and Reemployment Rights Act, the Small Business Job Protection Act, the Taxpayer Relief Act of 1997, the IRS Reform and Restructuring Act of 1998, and the Community Renewal Tax Relief Act, the Plan was amended and restated in its entirety effective as of January 1, 1997, and

WHEREAS, as a result of the enactment of the Economic Growth and Tax Relief Reconciliation Act of 2001, the Plan was amended to adopt a good-faith amendment to comply with the provisions of the Economic Growth and Tax Relief Reconciliation Act, and

WHEREAS, due to the enactment of new regulations governing required minimum distributions, the Plan was again amended, and

WHEREAS, pursuant to the provisions of Article XVIII, the City reserved the right to amend the Plan, in whole or in part, at any time and from time to time,

NOW THEREFORE, in exercise of the power so reserved, the Plan is hereby amended as follows:

1. Section 9.3 is hereby amended by the addition thereto of the following:

In all other situations, i.e., with respect to amounts not governed by the provisions of Sections 9.1 or 9.2, a Participant, other than Participants who are Project Managers and/or Contract Managers, who becomes a Participant in the Plan on or after January 1, 2006, shall Vest in such contributions, i.e., in City contributions, including earnings thereon and including Forfeitures, in accordance with the following schedule:

<u>Years of Service</u>	<u>Percentage Vested and Non-Forfeitable</u>
Less than 5	0%
5 or more	100%

In the case of a Participant whose vested percentage is determined in accordance with the provisions of this Section 9.3 but who commenced participation in the Plan prior to January 1, 2006, on and after the date of execution of this Amendment, the Participant shall Vest in such contributions, i.e., in City contributions, including earnings thereon and including Forfeitures, using whichever vesting schedule, i.e., the 7-year graded currently contained in the Plan or the 5 year cliff scheduled set forth above, which produces the greater Vested percentage for the applicable Year of Service such that such a Participant's Vested percentage shall then effectively be determined in accordance with the following schedule:

<u>Years of Service</u>	<u>Percentage Vested and Non-Forfeitable</u>
Less than 3	0%
3 but less than 4	20%
4 but less than 5	40%
5 or more	100%

2. Section 14.1(a) is hereby amended by the addition thereto of the following:

Notwithstanding the above, effective with respect to distributions occurring on or after March 28, 2005, no consent, neither that of the Participant nor that of the Participant's Spouse, shall be required where the distribution is in conformance with the provisions of 14.4 and the distribution is of an amount which does not exceed \$1,000. Such a distribution shall be made in accordance with the provisions of Section 14.10 and shall be made as soon as administratively feasible after the Valuation Date occurring on or after the Participant's separation from the service of the City. Distribution of an amount that exceeds \$1,000 on or after March 28, 2005, shall require the consent of the Participant and, where the amount exceeds \$5,000, the consent of the Participant's Spouse.

3. Section 14.4 is hereby amended by the addition to the first paragraph thereof of the following:

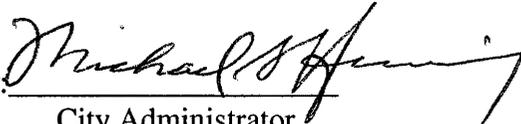
Notwithstanding the above, effective with respect to distributions occurring on or after March 28, 2005, the above provisions requiring Participant consent shall apply if the value of a Participant's Vested Individual Account balance derived

from Company and Employee contributions exceeds \$1,000 and is immediately distributable. However, the consent of the Participant's Spouse shall continue to only be required where the value of the Participant's Vested Individual Account balance derived from Company and Employee contributions exceeds \$5,000.

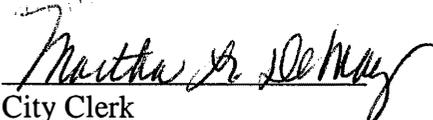
4. Plan, as amended, is hereby reaffirmed and readopted.

IN WITNESS WHEREOF, the Company has caused this **FOURTH AMENDMENT** to be executed by its duly appointed officers on this 5th day of December, 2005, effective with respect to distributions occurring on or after the close of the first regular legislative session of the legislative body with the authority to amend the Plan that begins on or after January 1, 2006.

CITY OF CHESTERFIELD

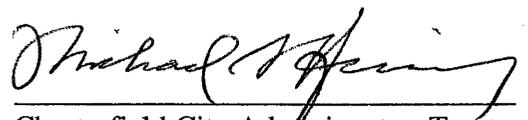
By: 
City Administrator

ATTEST:


City Clerk

The undersigned Trustees and Administrator hereby acknowledge receipt of this Amendment.

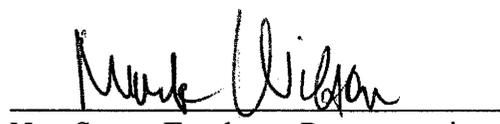

Chesterfield City Administrator
Plan Administrator


Chesterfield City Administrator, Trustee


Chesterfield Director of Finance, Trustee


Chair, Finance and Administration
Committee, Chesterfield City Council,
Trustee


Sworn Police Department Representative,
Trustee


Non-Sworn Employee Representative,
Trustee