



HISTORIC  
FRANKLIN  
TENNESSEE

ITEM #22  
BOMA  
09/10/13

## MEMORANDUM

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August 27, 2013

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator  
Russ Truell, Assistant City Administrator  
Shirley Harmon, Human Resources Director  
Tammie Pitts, Benefits Manager

SUBJECT: Consideration of Approval to an Amendment to the Agreement with ICMA-RC to offer payroll deduction Roth Individual Retirement Accounts to employees (COF Contract No. 2012-0087 AMD1 ICMA-RC)

### **Purpose**

The purpose of this memorandum is to provide information to the Board of Mayor and Aldermen (BOMA) to consider the option of expanding the agreement with ICMA-RC to include a Roth Individual Retirement option for individual employees.

### **Background**

The Roth IRA option through ICMA-RC was presented to BOMA at the June 21, 2012 Work Session. The Payroll Roth IRA would add another option to City of Franklin employees to invest for their retirement. This is a voluntary program funded by employees through payroll deduction. Contributions to the Roth IRA are made on an after tax basis with no match from the City. Roth contributions and associated earnings can be withdrawn tax-free if requirements for a qualified distribution are met.

### **Financial Impact**

There is no financial impact to the City.

### **Options**

The proposed option would offer another tax-advantaged retirement savings option to employees.

### **Recommendation**

Staff recommends approval of the amendment to the City's agreement with ICMA-RC to offer the Roth IRA payroll deduction option.

May 7, 2013

City of Franklin  
Attn: Shirley K. Harmon, PHR  
109 Third Avenue South  
Franklin, TN 37064

Re: ICMA Retirement Corporation  
Vantagepoint Payroll Deduct IRA Program  
COF Contract No.: 2012-0087, Amendment 1

Dear Ms. Harmon:

This letter agreement will serve to amend the existing Agreement between the **City of Franklin** and ICMA-RC (COF Contract No.: 2012-0087) to provide for payroll deduction Individual Retirement Accounts ("IRAs") for Employer's employees ("IRA accountholders".)

The existing Agreement between Employer and ICMA-RC is hereby amended as follows:

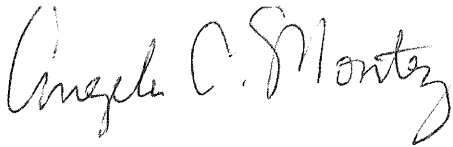
1. Employer desires to allow IRAs for its employees to be administered by ICMA-RC. Employer agrees to send checks or wire the assets to ICMA-RC for IRA accountholders. The details of the submission of IRA contributions shall be as mutually agreed between Employer and ICMA-RC, but in general shall be as set forth in the IRA program materials developed by ICMA-RC and provided to Employer.
2. Absent an explicit provision to the contrary, account fees and expenses payable by IRA Accountholders shall be as set forth in the IRA program materials.
3. Each IRA Accountholder will receive a consolidated quarterly statement providing information for any deferred compensation plan, qualified plan or IRA maintained by each IRA Accountholder and administered by ICMA-RC.
4. ICMA-RC will provide tax withholding and reporting for each IRA account administered by ICMA-RC.
5. Unless ICMA-RC and Employer agree otherwise, the details of ICMA-RC's administration of the IRA program, as well as other features of the IRA program, shall be as set forth in ICMA-RC's IRA program materials. The IRA program materials are hereby incorporated by reference and made a part of this

Agreement, except that Employer and ICMA-RC may from time to time mutually agree in writing to terms that vary from the IRA program materials.

6. To assure IRA Accountholders of confidentiality, ICMA-RC will only provide Employers with such account information as is necessary to reconcile Employer's payroll deduction submittals.
7. It is agreed that ICMA-RC will not be responsible for ensuring that annual IRA contributions by each IRA Accountholder are within applicable annual contribution limits, and that this will be the responsibility of the IRA Accountholder.
8. It is understood that the year in which the payroll deduction occurs shall constitute the tax year in which the contribution is considered to be made to the IRA Accountholder's IRA.

If the **City of Franklin** finds these terms agreeable, please so indicate by having the appropriate person sign and date this letter agreement in the space indicated below.

Very truly yours,



By \_\_\_\_\_

Angela C. Montez  
Assistant Secretary

Agreed:

\_\_\_\_\_  
Dr. Ken Moore, Mayor

\_\_\_\_\_  
Date

Attest by:

\_\_\_\_\_  
Eric Stuckey, City Administrator

Approved as to form by:

\_\_\_\_\_  
Shauna R. Billingsley, City Attorney



# VANTAGEPOINT PAYROLL IRA PROGRAM IMPLEMENTATION DATA FORM

• Instructions to Employer: Provide necessary information to establish your plan properly. Please contact Investor Services at 1-800-326-7272, if you have any questions.

<p><b>ICMA-RC Use Only</b></p> <p>1. Employer Number: 701 _____ (Vantagepoint Traditional IRA) 705 _____ (Vantagepoint Roth IRA)</p>
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<b>General Information</b>	<p>2. (902) Employer's Full Name: _____</p> <p>3. (922) Street Address: _____ (924) _____ (918) City: _____ (919) State: _____ (920) Zip Code: _____</p> <p>4. (633) Primary Contact Name: _____</p> <p>5. (634) Primary Contact Title: _____</p> <p>6. (631) Primary Contact Telephone#: (____) _____</p> <p>7. (632) Fax #: (____) _____ 8. (PT00) Email Address: _____</p> <p>9. (882) Employer's Federal Tax Identification Number: _____</p> <p>10. Date of 1st Contribution: _____</p>
<b>IRA Type</b>	<p><b>Check one or both (if applicable):</b></p> <p><input type="checkbox"/> Vantagepoint Traditional IRA OR <input type="checkbox"/> Vantagepoint Roth IRA</p> <p><b>Please note:</b> if selecting BOTH IRA plan types, then the employer's payroll system must have two available payroll slots. (If the contact information is not the same for both, please complete a separate form.)</p>
<b>Contribution/EZ Link Contact Information</b>	<p>11. PT02 (200) Contact Name/Title: _____ (420) Telephone: (____) _____ Fax: (____) _____</p> <p><b>EZ Link is ICMA-RC's standard contribution detail summary format. Please complete and return the EZ Link Access Form. You must also complete a successful EZ Link test before your first contribution can be submitted.</b></p>
<b>Plan Coordinator Contact Information</b>	<p>12. PT05 (200) Contact Name: _____ Contact Title: _____ (420) Telephone: (____) _____ Fax: (____) _____</p>
<b>Remittance Reconciliation Contact</b>	<p>13. PT07 (200) Contact Name/Title: _____ (200) Contact Title: _____ (420) Telephone: (____) _____ Fax: (____) _____</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><b>Internal Use Only</b></p> <p>641 = _____</p> <p>644 = _____</p> <p>912 = _____</p> </div>



## STREAMLINING PLAN ADMINISTRATION THROUGH TECHNOLOGY

[www.icmarc.org/ezlink/](http://www.icmarc.org/ezlink/)



EZLink gives you electronic access to a wide range of plan specific information, transaction processing capabilities and keeps you up-to-date on the latest in plan changes. As a user, you can access the information you need, when you need it.

NOTE: EZLink data is protected by encryption using SSL (Secure Socket Layer) protocol, so you know your data is safe.

ICMA-RC • 777 N. Capitol Street, N.E. • Washington, D.C. 20002  
1-800-326-7272 • [www.icmarc.org](http://www.icmarc.org) • Fax 202-962-4601

BRC000-047-0508-15-180



## EZLINK ACCESS FORM INSTRUCTIONS

### Who should use the EZLink Access form?

Plan Sponsors who would like to receive an EZLink USER ID and password for the first time and those who would like to change the access on a particular USER ID.

<b>1</b> <b>Plan Coordinator Information</b>	Please provide the name of the person at your plan who is designated as the <b>plan coordinator</b> . This person should also authorize access at the end of this form. If you want to verify your current plan coordinator, please call Client Services at 1-800-326-7272 between 8:30 a.m. and 7:30 p.m. Eastern Time.
<b>2</b> <b>Adoption of Online Withdrawal Approval</b>	Select this option to adopt online withdrawals permitting disbursements from participant accounts upon receipt of termination dates.
<b>3</b> <b>Password Holder Information</b>	<p>If this is a <b>change</b>, please make sure to enter the staff members current User ID.</p> <p><u>To <b>reassign</b> this User ID to a new staff member</u>, please provide the new users password holder information including their level of access.</p> <p><u>To <b>update</b> the current password holder's information</u>, enter the new information.</p> <p><u>To <b>remove</b> this User ID</u>, check the "Delete User ID" box. This will remove all information currently on file for this User ID and make it available for future use.</p> <p><b>Inquiry –</b></p> <p><b><u>Balances/Reports:</u></b> access plan and participant level information, including balances and investment allocations and view reports</p> <p><b><u>Enrollments/Rehires:</u></b> enroll or rehire a participant online</p> <p><b><u>Participant Changes:</u></b> update participant information such as name, address, marital status, title, phone number</p> <p><b><u>Contribution &amp; Loan Repayments Detail:</u></b> process contributions and loan repayments online using a prior payroll or submit pre-formatted files (in ICMA-RC format)</p> <p><b><u>Participant Data Transfer:</u></b> submit a preformatted participant demographic change file (in ICMA-RC format) which includes enrollments, participant updates and view a customized data verification report.</p>
<b>4</b> <b>Plan Coordinator Approval</b>	Please have the <b>plan coordinator</b> sign and date this <b><i>EZLink Access Form</i></b> .
<b>Minimum System Recommendations</b>	<ul style="list-style-type: none"> <li>✓ Netscape Navigator Version 6.1 and higher, <b>OR</b> Microsoft Internet Explorer 5.0 and higher</li> <li>✓ 128 Bit Encryption</li> <li>✓ High speed Internet access or minimum 56K modem</li> <li>✓ Pentium class PC</li> <li>✓ Windows NT, 1995 or later</li> </ul> <p style="text-align: center;"><b><i>OTHER SYSTEMS ARE NOT RECOMMENDED</i></b></p>

Please fax your completed EZLink Access Form to the "EZLink Administrator" at 1-202-962-4601.



EZLINK ACCESS FORM

Plan Name \_\_\_\_\_  
Plan Number \_\_\_\_\_

(This information must be completed to avoid processing delays.)

<b>1</b> <b>Plan Coordinator Information</b>	Plan Coordinator Name: _____ Title: _____ Phone Number: _____ Fax: _____ Email Address: _____ Mailing Address: _____ City: _____ State: _____ Zip: _____
<b>2</b> <b>Adoption of Online Withdrawal Approval</b>	<input type="checkbox"/> We hereby adopt Online Withdrawals and authorize ICMA-RC to permit disbursements from participant accounts upon receipt of termination dates. Additionally, we understand Online Withdrawals are only available for 401 and 457 plans, termination dates should be submitted in a timely manner, and employer approval is not required for individual disbursement requests. (Note: Please contact our EZLink Team at 1-800-326-7272, for information on submitting termination dates.)
<b>3</b> <b>Password Holder Information</b>  <i>You must provide the "Password Holder Information" to establish a User id and password for the Plan Coordinator.</i>	<p><b>Select One:</b>   <input type="checkbox"/> Add New User ID   <input type="checkbox"/> Reassign User ID   <input type="checkbox"/> Update User ID   <input type="checkbox"/> Remove User ID</p> <p><b>Name:</b> _____  <b>Title:</b> _____  <b>Phone #:</b> _____ <b>Email Address:</b> _____</p> <p><b>Access:</b>          Inquiry – Balances &amp; Reports    ___Y ___N                      Contributions &amp; Loan Repays    ___Y ___N          Enrollments/Rehires            ___Y ___N                      Participant Data Transfer:    ___Y ___N          Participant Changes            ___Y ___N          (name, address, etc.)</p> <p>.....</p> <p><b>Select One:</b>   <input type="checkbox"/> Add New User ID   <input type="checkbox"/> Reassign User ID   <input type="checkbox"/> Update User ID   <input type="checkbox"/> Remove User ID</p> <p><b>Name:</b> _____  <b>Title:</b> _____  <b>Phone #:</b> _____ <b>Email Address:</b> _____</p> <p><b>Access:</b>          Inquiry – Balances &amp; Reports    ___Y ___N                      Contributions &amp; Loan Repays    ___Y ___N          Enrollments/Rehires            ___Y ___N                      Participant Data Transfer:    ___Y ___N          Participant Changes            ___Y ___N          (name, address, etc.)</p> <p>.....</p> <p><b>Select One:</b>   <input type="checkbox"/> Add New User ID   <input type="checkbox"/> Reassign User ID   <input type="checkbox"/> Update User ID   <input type="checkbox"/> Remove User ID</p> <p><b>Name:</b> _____  <b>Title:</b> _____  <b>Phone #:</b> _____ <b>Email Address:</b> _____</p> <p><b>Access:</b>          Inquiry – Balances &amp; Reports    ___Y ___N                      Contributions &amp; Loan Repays    ___Y ___N          Enrollments/Rehires            ___Y ___N                      Participant Data Transfer:    ___Y ___N          Participant Changes            ___Y ___N          (name, address, etc.)</p>

Please fax your completed EZLink Access Form to the "EZLink Administrator" at 1-202-962-4601.



**EZLINK ACCESS FORM**

<p><b>3</b> <b>Password Holder Information</b></p> <p><i>(continued)</i></p>	<p>Select One:   <input type="checkbox"/> Add New User ID   <input type="checkbox"/> Reassign User ID   <input type="checkbox"/> Update User ID   <input type="checkbox"/> Remove User ID</p> <p>Name: _____</p> <p>Title: _____</p> <p>Phone #: _____      Email Address: _____</p> <p><b>Access:</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Inquiry – Balances &amp; Reports    ___Y ___N</td> <td style="width: 50%;">Contributions &amp; Loan Repays    ___Y ___N</td> </tr> <tr> <td>Enrollments/Rehires                ___Y ___N</td> <td>Participant Data Transfer:        ___Y ___N</td> </tr> <tr> <td>Participant Changes                ___Y ___N</td> <td></td> </tr> </table> <p><i>(name, address, etc.)</i></p> <p>.....</p> <p>Select One:   <input type="checkbox"/> Add New User ID   <input type="checkbox"/> Reassign User ID   <input type="checkbox"/> Update User ID   <input type="checkbox"/> Remove User ID</p> <p>Name: _____</p> <p>Title: _____</p> <p>Phone #: _____      Email Address: _____</p> <p><b>Access:</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Inquiry – Balances &amp; Reports    ___Y ___N</td> <td style="width: 50%;">Contributions &amp; Loan Repays    ___Y ___N</td> </tr> <tr> <td>Enrollments/Rehires                ___Y ___N</td> <td>Participant Data Transfer:        ___Y ___N</td> </tr> <tr> <td>Participant Changes                ___Y ___N</td> <td></td> </tr> </table> <p><i>(name, address, etc.)</i></p>	Inquiry – Balances & Reports    ___Y ___N	Contributions & Loan Repays    ___Y ___N	Enrollments/Rehires                ___Y ___N	Participant Data Transfer:        ___Y ___N	Participant Changes                ___Y ___N		Inquiry – Balances & Reports    ___Y ___N	Contributions & Loan Repays    ___Y ___N	Enrollments/Rehires                ___Y ___N	Participant Data Transfer:        ___Y ___N	Participant Changes                ___Y ___N	
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Participant Changes                ___Y ___N													
<p><b>4</b> <b>Plan Coordinator Approval</b></p> <p><i>(Plan coordinator User ID and password automatically generated.)</i></p>	<p>ICMA-RC considers participant information to be highly confidential, and we go to great lengths to avoid breaching that confidentiality. For this reason, ICMA-RC cannot be responsible for (i) negligent or intentional misuse of the password by the [the municipality's] officers, employees, agents or contractors, (ii) a breach of confidentiality that may occur as a result of such negligent or intentional misuse of the password, or (iii) a breach of confidentiality that may occur as a proximate result of the [municipality's] access to the participant database. If the [municipality] uses EZLink online transaction processing, please remember to review all financial information you have entered for your participants, as ICMA-RC is not responsible for incorrect data transmitted by the [municipality]. ICMA-RC recommends that you encourage all participants to review confirmations for accuracy.</p> <p>The Retirement Corporation's home page is normally available 24 hours a day, seven days a week. However, service availability is not guaranteed. Neither the Retirement Corporation or its affiliates, the Retirement Trust, nor The Vantagepoint Funds will be responsible for any loss (or forgone gain) you may incur as a result of service being unavailable.</p> <p>Please signify your agreement to these terms by signing in the space indicated below. <b>You may fax this signed form to the EZLink Administrator at 1-202-962-4601.</b> We will provide you with User ID(s) and Password(s) to begin using EZLink. Should you have questions, please call our EZLink Team at 1-800-326-7272.</p> <p>Agreed: _____      Date: _____</p> <p style="margin-left: 40px;">Plan Coordinator</p> <p>Print Your Name _____</p>												

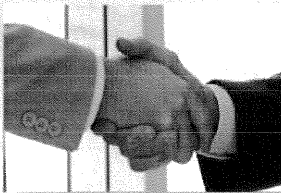
**Please fax your completed EZLink Access Form to the "EZLink Administrator" at 1-202-962-4601.**





## Another Valued Benefit – ICMA-RC Payroll IRA

Provide your employees a new benefit to help them save for their future. An ICMA-RC Payroll IRA is a simple, convenient, and voluntary way to fund a Roth or Traditional IRA.



### BENEFITS TO YOU

- No cost to adopt
- Easy to set up
- No IRS reporting or testing required



### BENEFITS TO YOUR EMPLOYEES

- Another tax-advantaged way to save for retirement and other goals. A Roth IRA provides potentially *tax-free* earnings.
- Flexible withdrawal rules
- Convenient, automatic paycheck contributions. As little as \$10 per pay period
- No maintenance fees, loads, or commissions
- Consolidated account statements

It's easy to adopt a Payroll IRA – your ICMA-RC representative can help you every step of the way.

Trey Sizemore  
Retirement Plans Specialist  
tsizemore@icmarc.org