

# ROUTT COUNTY BOARD OF COUNTY COMMISSIONERS

## AGENDA COMMUNICATION FORM

<b>ITEM DATE:</b> October 26, 2021	<b>ITEM TIME:</b>
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<b>FROM:</b>	Kathy Nelson, Human Resources Director
<b>TODAY'S DATE:</b>	October 21, 2021
<b>AGENDA TITLE:</b>	Consideration to Approve an Amendment to the 401(a) plan

<b>CHECK ONE THAT APPLIES TO YOUR ITEM:</b>	
<input checked="" type="checkbox"/> <b>X ACTION ITEM</b>	
<input type="checkbox"/> <b>DIRECTION</b>	
<input type="checkbox"/> <b>INFORMATION</b>	

<b>I. DESCRIBE THE REQUEST OR ISSUE:</b>
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Consideration to approve an amendment to the 401(a) plan to allow eligible employees to contribute to the plan on the first day of their employment.
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<b>II. RECOMMENDED ACTION:</b>
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Recommend approval to amend the 401(a) plan allowing eligible employees to contribute to the plan on the first day of their employment.
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<b>III. DESCRIBE FISCAL IMPACTS (VARIATION TO BUDGET):</b>
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<b>PROPOSED REVENUE:</b> None
<b>PROPOSED EXPENDITURE:</b> If the plan is amended, the estimated increase in costs in 2022 is \$50K. Final costs will be dependent upon the number of employees who choose to participate in the plan and their total wages.
<b>FUNDING SOURCE:</b> General Fund

<b>IV. IMPACTS OF A REGIONAL NATURE OR ON OTHER JURISDICTIONS (IDENTIFY ANY COMMUNICATIONS ON THIS ITEM):</b>
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None known.
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**V. BACKGROUND INFORMATION:**

The BCC has reviewed our 401(a) plan guidelines and is considering amending our plan to allow an employee to elect to participate in the 401(a) beginning day one of their employment. If the BCC moves to approve this amendment, all other guidelines of the plan would remain the same.

Currently our employees may elect to participate in the 401(a) Money Purchase Plan after one year of employment. Employees are required to contribute 6% of their compensation, and the County will match the employee's contribution. Contributions to the Plan are pre-tax contributions. The employee has the ability to direct how all funds are invested. The employee's 6% contributions cannot be stopped once an employee enrolls in the plan. The 401(a) Plan has a loan provision.

The vesting schedule for the 401(a) plan is:  
0% upon completion of 1st year of employment  
25% upon completion of 2nd year of employment  
50% upon completion of 3rd year of employment  
75% upon completion of 4th year of employment  
100% upon completion of 5th year of employment

**VI. LEGAL ISSUES:**

None known.

**VII. CONFLICTS OR ENVIRONMENTAL ISSUES:**

None known.

**VIII. SUMMARY AND OTHER OPTIONS:**

The BCC and approve the amendment, deny the amendment, or make a request for more information.