



Legislation Details (With Text)

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Title:	APPROVE CONTRACT AMENDMENT NO. 1 FOR THE ADMINISTRATIVE SERVICES AGREEMENT BETWEEN THE CITY OF CARSON AND PHASE II SYSTEMS D/B/A PUBLIC AGENCY RETIREMENT SERVICES ("PARS")				
Sponsors:					
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Attachments:	1. PARS Plan Document (4 14 92), 2. PARS Plan Document Amended and Restated (1 1 07), 3. PARS Plan Document Amendment No. 1, 4. PARS Admin Service Agreement Amended and Restated (08 26 09), 5. PARS Admin Services Agreement Amendment No. 1				

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, September 15, 2020

Consent

SUBJECT:

APPROVE CONTRACT AMENDMENT NO. 1 FOR THE ADMINISTRATIVE SERVICES AGREEMENT BETWEEN THE CITY OF CARSON AND PHASE II SYSTEMS D/B/A PUBLIC AGENCY RETIREMENT SERVICES ("PARS")

I. SUMMARY

The City of Carson and PARS entered into the PARS Alternate Retirement System Agreement effective January 1, 1992 in conjunction with the PARS Trust Agreement, whereby PARS agreed to provide certain administrative services to the City's retirement plan for part-time, seasonal, and temporary employees and Trust.

PARS has expanded the scope of its services to allow participants of the Plan to access and view their retirement benefits information on a read-only basis through a web-based portal. The proposed amendments will allow the City and PARS to amend the Plan to allow Coronavirus related distributions and temporarily waive the Required Minimum Distributions, enacted by the Act, and add the web-based portal services.

II. RECOMMENDATION

WAIVE further reading and APPROVE THE PHASE II SYSTEMS D/B/A PUBLIC AGENCY RETIREMENT SERVICES (“PARS”) ADMINISTRATIVE SERVICES AGREEMENT CONTRACT AMENDMENTS NO. 1; AND AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENTS UPON APPROVAL AS TO FORM BY THE CITY ATTORNEY.

III. ALTERNATIVES

Take any other action deemed appropriate.

IV. BACKGROUND

The City adopted the City of Carson PARS Alternate Retirement System (the “Plan”) effective January 1, 1992 in conjunction with the PARS Trust Agreement (“Trust”), with PARS, as Trust Administrator to the Trust to provide administrative services on or about January 1, 1992. On January 1, 2007, the Employer adopted that certain Amended and Restated City of Carson Public Agency Retirement System Alternate Retirement System (PARS-ARS) (“First Restated Plan”). The First Restated Plan constituted a full and complete amendment and restatement of the Plan. Without limitation, the First Restated Plan made certain clarifications related to distributions and annual addition limits

Between 1996 and 2006, the City of Carson received certain letters from PARS setting forth changes to the terms of their services. On August 26, 2009, the City and PARS entered into an Amended and Restated Agreement for Administrative Services (“Restated Agreement”), whereby PARS agreed to provide administrative services to the City and clarify certain terms and conditions related to their services.

On March 13, 2020, the President of the United States declared the ongoing coronavirus pandemic of sufficient severity and magnitude to warrant a nationwide emergency declaration. On March 27, 2020, the President of the United States signed into law the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act (the “Act”). The Act includes a number of tax and distribution provisions that affect retirement plans.

Staff is presenting the PARS Administrative Services Agreement Amendment No. 1 (Exhibit 5) and Administrative Service Agreement Amendment No. 1 (Exhibit 6) to City Council for approval to amend the Agreement to reflect the provisions that will permit limited early withdrawals and loan amounts from qualified retirement accounts, as enacted by the CARES Act, and add PARS web-based online portal services. The CARES Act provision implemented by PARS temporarily waives the required minimum distribution. The aggregate amount of Corona-Virus Related Distributions may not exceed \$100,000; are not eligible Roll-Over Distributions; and no tax withholdings will apply. Participants must meet the eligibility defined in the CARES Act in order to make a COVID-19 related distribution.

V. FISCAL IMPACT

There is no additional fiscal impact to the City. These provisions are intended to provide plan participants with additional tools and resources as we all navigate this unprecedented

pandemic.

VI. EXHIBITS

1. 1992 Public Agency Retirement System (PARS) Plan Document (pgs. 4-21)
2. 2007 Amended and Restated City of Carson Public Agency Retirement System Alternate Retirement System (PARS-ARS) (pgs. 22-44)
3. PARS Plan Document Amendment No. 1 (pgs. 45-48)
4. 2009 Amended and Restated Agreement for Administrative Services (pgs. 49-57)
5. Administrative Service Agreement Amendment No. 1 (pgs. 58-63)

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