

ORDINANCE NO. 183456

An ordinance amending Chapter 10 of Division 4 of the Los Angeles Administrative Code to maintain the status of Los Angeles Employees' Retirement System as a qualified governmental defined benefit plan under the Internal Revenue Code.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Section 4.1000 of Article 1 in Chapter 10 of Division 4 of the Los Angeles Administrative Code is amended to add a new third paragraph to read as follows:

The Retirement System is established, as may be amended from time to time, as a qualified defined benefit plan intended to satisfy the provisions of Section 401(a) of the Internal Revenue Code as applicable under Section 414(d) of the Internal Revenue Code for a governmental plan and such other applicable provisions of the Internal Revenue Code, Treasury regulations, or other guidance.

Sec. 2. Subsection (a) of Section 4.1029 of Article 1 in Chapter 10 of Division 4 of the Los Angeles Administrative Code is amended by deleting the second paragraph.

Sec. 3. A new Section 4.1030.1 is added to Article 1 in Chapter 10 of Division 4 of the Los Angeles Administrative Code to read as follows:

Sec. 4.1030.1. Provisions Required for Retirement System Compliance with the Internal Revenue Code.

In order to maintain its status as a qualified governmental defined benefit plan under the Internal Revenue Code, the Retirement System is subject to the following provisions:

(a) In addition to any vesting protections under current provisions of the Retirement System, in the event of a full or partial termination of, or a complete discontinuance of employer contributions to, the plan, the accrued benefits of the affected members under the plan shall be 100% vested and nonforfeitable to the extent required by federal law.

(b) The Retirement Fund (the trust fund established for the Retirement System in Charter Section 1154) must not revert, and no contributions shall be permitted to be returned to the employer.

Sec. 4. Section 4.1050 of Article 2 in Chapter 10 of Division 4 of the Los Angeles Administrative Code is amended to add a new third paragraph read as follows:

The Retirement System is established, as may be amended from time to time, as a qualified defined benefit plan intended to satisfy the provisions of Section 401(a) of the Internal Revenue Code as applicable under Section 414(d) of the Internal Revenue Code for a governmental plan and such other applicable provisions of the Internal Revenue Code, Treasury regulations, or other guidance.

Sec. 5. Subsection (a) of Section 4.1076 of Article 2 in Chapter 10 of Division 4 of the Los Angeles Administrative Code is amended by deleting the second paragraph.

Sec. 6. A new Section 4.1077.1 is added to Article 2 in Chapter 10 of Division 4 of the Los Angeles Administrative Code to read as follows:

Sec. 4.1077.1. Additional Provisions Required for Retirement System Compliance with the Internal Revenue Code.

In order for the Retirement System to maintain its status as a qualified governmental defined benefit plan under the Internal Revenue Code, the Retirement System is additionally subject to the following provisions:

(a) In addition to any vesting protections under current provisions of the plan, in the event of a full or partial termination of, or a complete discontinuance of employer contributions to, the plan, the accrued benefits of the affected members under the plan shall be 100% vested and nonforfeitable to the extent required by federal law.

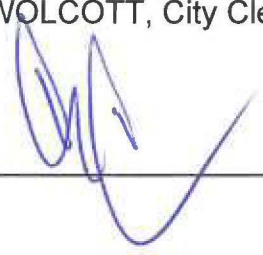
(b) The Retirement Fund (the trust fund established for the Retirement System in Charter Section 1154) must not revert, and no contributions shall be permitted to be returned, to the employer.

Sec. 7. This ordinance shall become effective upon publication pursuant to Charter Section 252.

Sec. 8. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that the foregoing ordinance was introduced at the meeting of the Council of the City of Los Angeles JAN 27 2015, and passed at its meeting of FEB 27 2015.

HOLLY L. WOLCOTT, City Clerk

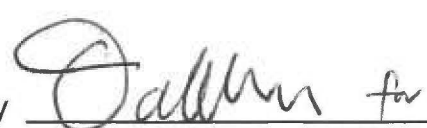
By  Deputy

Approved 2/27/15

 Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By  for
THERESA PATZAKIS
Senior Assistant City Attorney

Date 1/21/15

File No. 15-0076