



Jackson County Missouri

Jackson County Courthouse
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Legislation Details (With Text)

File #:	5409	Version:	0	Name:	Pension Plan Death beneficiary
Type:	Ordinance	Status:		Status:	Passed
File created:	9/17/2020	In control:		In control:	Finance and Audit Committee
On agenda:	9/21/2020	Final action:		Final action:	9/30/2020
Title:	AN ORDINANCE repealing subsection 1503.10 and sections 1525., 1532., and 1533., Jackson County Code, 1984, relating to the County Employees' Pension Plan and enacting, in lieu thereof, one new subsection and three new sections relating to the same subject.				
Sponsors:	Charlie Franklin				
Indexes:	EMPLOYEES' PENSION PLAN, JACKSON COUNTY CODE				
Code sections:					
Attachments:	1. 5409adopt.pdf				

Date	Ver.	Action By	Action	Result
9/30/2020	0	County Legislature	adopt	Pass
9/30/2020	0	County Legislature	Consent Agenda	
9/28/2020	0	County Legislature	perfect	Pass
9/28/2020	0	Finance and Audit Committee	recommend for perfection	Pass
9/28/2020	0	County Legislature	Consent Agenda	
9/22/2020	0	County Legislature	Go To 1st Perfection	Pass
9/21/2020	0	County Legislature	assign to committee	

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

AN ORDINANCE repealing subsection 1503.10 and sections 1525., 1532., and 1533., Jackson County Code, 1984, relating to the County Employees' Pension Plan and enacting, in lieu thereof, one new subsection and three new sections relating to the same subject.

ORDINANCE NO. 5409, September 21, 2020

INTRODUCED BY Charlie Franklin, County Legislator

WHEREAS, at its meeting of May 21, 2020, the Jackson County Employees' Pension Plan Board of

Trustees recommended that the Plan be amended to allow for a beneficiary of a deceased plan member, other than a surviving spouse of domestic partner, to receive a death benefit; and,

WHEREAS, additionally, the Plan's special counsel has recommended certain technical revisions to the Plan to bring it into compliance with the U.S. SECURE Act, enacted by Congress in December 2019; and,

WHEREAS, the recommended revisions are in the best interests of the health, welfare and safety of the citizens of Jackson County; now therefore,

BE IT ORDAINED by the County Legislature of Jackson County, Missouri, as follows:

Section A. Enacting Clause.

Subsection 1503.10., amd sections 1525., 1532., and 1533., Jackson County Code, 1984, are hereby repealed, and one new subsection and three new sections enacted in lieu thereof, to be known as subsection 1503.10 and sections 1525., 1532., and 1533., to read as follows:

1503.10 Beneficiary.

The term "Beneficiary" shall mean any person or persons (or a trust) designated by a Member in such form and manner as the Board may prescribe to receive a Death Benefit, in the form specified in sections 1511.1, 1511.2, 1511.3, [or] 1511.4, 1532., or 1533., payable hereunder if such person or persons survive the Member. Any designation under sections 1511.1 [and], 1511.2., 1532., or 1533., may be revoked at any time in similar manner and form.

1525. Required Minimum Distributions.

1525.1 Postponement of Commencement of Benefits to Age [70] 72 ½.

A Member may elect, in a written statement filed with the Board, to receive benefits first payable for a later month, provided that no such election filed on or after January 1, 2020, may postpone the commencement of benefits to a date later than April 1 of the calendar year following the calendar year in which the Vested Employee attains age [seventy and one-half (70 ½)] seventy-two (72).

1525.2 Effect of Benefit Commencing after Age [70 ½] 72.

Failure to commence benefit payments by the prescribed date can trigger an excise tax levied against the Member equal to fifty percent (50%) of the amount by which the minimum required distribution exceeds the actual amount distributed during the Plan Year. In effect, if no distribution is made during a Plan Year when it should have been made under Code section 401(a)(9), the Member loses one-half (1/2) of the distribution, which should have been made. This benefit shall be paid in accordance with any other provisions reflecting section 401(a)(9)

requirements, as prescribed by the IRS commissioner.

1525.3 Required Minimum Distributions.

A. General Rules.

1. Effective Date.

The provisions of this subsection will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

2. Precedence.

The requirements of this subsection will take precedence over any inconsistent provisions of the Plan.

3. Requirements of Treasury Regulations Incorporated.

All distributions required under this subsection will be determined and made in accordance with the Treasury regulations under section 401(a)(9) of the Internal Revenue Code.

4. TEFRA Section 242(b)(2) Elections.

Notwithstanding the other provisions of this subsection, other than subsection 1525.3.A(3), distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

B. Time and Manner of Distribution.

1. Required Beginning Date.

Beginning [April 1, 1988] January 1, 2020, a Member's entire interest will be distributed, or begin to be distributed, to the Member no later than April 1 of the calendar year following the Calendar Year in which the Member reaches [70 ½] 72.

2. Death of Member Before Distributions Begin.

If the Member dies before distributions begin, the Member's entire interest will be distributed, or begin to be distributed, no later than as follows:

i. If the Member's surviving Spouse is the Member's sole Designated Beneficiary, then distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Member died, or by December 31 of the calendar year in which the Member would have attained age [seventy and one-half (70 ½)] seventy-two (72), if later.

ii. If the Member's surviving Spouse is not the Member's sole Designated Beneficiary, then distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Member died.

iii. If there is no Designated Beneficiary as of September 30 of the year following the year of the Member's death, the Member's entire interest will be distributed by December 31 of the calendar

year containing the fifth anniversary of the Member's death.

iv. If the Member's surviving Spouse is the Member's sole Designated Beneficiary and the surviving Spouse dies after the Member's but before distributions to the surviving Spouse begin, this subsection 1525.3.B(2), other than subsection 1525.3.B(2)(i), will apply as if the surviving Spouse were the Member.

For purposes of this subsection 1525.3.C.2 and subsection 1525.3.E, distributions are considered to begin on the Member's Required Beginning Date (or, if subsection 1525.3.B(2)) applies, the date distributions are required to begin to the surviving Spouse under subsection 1525.3.B(2)). If annuity payments irrevocably commence to the Member before the Member's Required Beginning Date (or to the Member's surviving Spouse before the date distributions are required to begin to the surviving Spouse under subsection 1525.3.B(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

1532. Death Prior to Age 55, Effect.

If any active Member should die (i) prior to reaching the Attained Age of fifty-five; (ii) being Vested in the Plan; and (iii) be survived by a Spouse or Domestic Partner, that Spouse or Domestic Partner shall be entitled to a Death Benefit. Such Death Benefit shall be a monthly income, payable for the life of the Spouse or Domestic Partner, equal to the benefit that would have been payable to such Spouse or Domestic Partner if the Member had retired on the day before the date of the death and elected the form of payment specified in section 1511.2 with 75% of the reduced benefit continued to the Member's Spouse or Domestic Partner for lifetime. Such Spouse or Domestic Partner Death

Benefit payments shall commence on the first day of the month next following the Member's date of death. If a Member dies without a Spouse or Domestic Partner, [a Member's surviving child or children shall receive a return of contributions equal to the contributions made on behalf of the Member by the Employer up to \$10,000.00, to be paid in a lump sum distribution and in equal shares] such a Death Benefit shall be payable to the Designated Beneficiary in an amount equal to the contributions made on behalf of the Member by the Employer up to \$10,000, to be paid in a lump sum distribution.

1533. Death After Age 55, Effect.

If any active Member should die (i) after reaching the Attained Age fifty-five, (ii) being Vested in the Plan, and (iii) being survived by a Spouse or Domestic Partner, that Spouse or Domestic Partner shall be entitled to a Death Benefit. Such Death Benefit shall be a monthly income, payable for the life of the Spouse or Domestic Partner equal to the benefit that would have been payable to such Spouse or Domestic Partner if the Member had retired on the day before the date of death and elected the form of payments specified in section 1511.2 with 100% of the reduced benefits continued to the Member's Spouse or Domestic Partner for lifetime. Such Spouse or Domestic Partner Death Benefit payments shall commence on the first day of the month next following the Member's date of death. Notwithstanding the above, if a Member had reached the Member's Normal Retirement Date and had made a written election as to the form of benefit payments pursuant to section 1511, then, upon the Member's death prior to the commencement of benefits, any Death Benefit shall be payable in accordance with such written election. If a Member dies without a Spouse or Domestic Partner, [a Member's surviving child or children shall receive a return of contributions equal to the contributions made on behalf of the Member by the Employer up to \$10,000.00, to be paid in a lump sum distribution and in equal shares] such a Death Benefit shall be payable to the Designated Beneficiary in an amount equal to the contributions made on behalf of the Member by the Employer up to \$10,000, to be paid in a lump sum distribution.

Effective Date: This ordinance shall be effective immediately upon its signature by the County Executive.

APPROVED AS TO FORM:

Chief Deputy County Counselor County Counselor

I hereby certify that the attached ordinance, Ordinance No. 5409 introduced on September 21, 2020, was duly passed on September 30, 2020 by the Jackson County Legislature. The votes

thereon were as follows:

Yeas 9 Nays 0

Abstaining 0 Absent 0

This Ordinance is hereby transmitted to the County Executive for his signature.

Date

Mary Jo Spino, Clerk of Legislature

I hereby approve the attached Ordinance No. 5409.

Date

Frank White, Jr., County Executive