



## Legislation Text

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**File #:** 22-2125, **Version:** 1

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Treasurer-Tax Collector Department recommending the Board authorize the Chair to sign Amendment IV to the El Dorado County Deferred Compensation Plan Administration Agreement with Nationwide Retirement Solutions ("Agreement") and grant to the Treasurer-Tax Collector authority to execute further documents related to the Agreement contingent upon approval by County Counsel and Risk Management.

**FUNDING:** N/A

### **DISCUSSION / BACKGROUND**

The Treasurer-Tax Collector Department administers deferred compensation plans for the benefit of County employees. Currently, there are plans offered to employees by two providers, Nationwide and CalPERS.

The Treasurer-Tax Collector is recommending a fourth Amendment to the Agreement that governs the Nationwide 457 Plan. Revisions in the proposed Amendment IV will lower the administrative costs to plan participants and add flexibility to the plan. A summary of the revisions follows.

1. Replace the current mutual funds with index funds and Class R mutual funds. Both funds feature reduced management fees and result in savings to plan participants. Additionally, bond exchange-traded funds (ETFs) are added for short-term diversification.
2. Reduce the current administration fees from 40 basis points (or 0.4% of contributions) to 30 basis points (or 0.3% of contributions).
3. Managed Account Services are included as an option for participants. This will allow participants to be assigned an Investment Manager who will aid them in selecting investments and delegating percentages of their portfolio to the various instruments.

The Treasurer-Tax Collector additionally asks the Board to grant authority to execute further documents related to the El Dorado County Deferred Compensation Plan Administration Agreement with Nationwide Retirement Solutions as necessary to comply with Internal Revenue Service requirements, including amendments revising available investment options to replace under-performing funds or investment products with funds that provide a higher competitive return or reduce the administration fee, contingent upon County Counsel and Risk Management approval.

### **ALTERNATIVES**

The Board could elect to keep the current Agreement in force. This would result in higher fees to plan participants.

### **PRIOR BOARD ACTION**

N/A

**OTHER DEPARTMENT / AGENCY INVOLVEMENT**

County Counsel has reviewed and approved this Amendment.

**CAO RECOMMENDATION / COMMENTS**

Approve as recommended.

**FINANCIAL IMPACT**

There is no cost to the County associated with this Agreement. Participants pay an administrative fee of 0.3 percent of deposits.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

Clerk of the Board to obtain the Chair's signature and return one signed Agreement to the Department.

**STRATEGIC PLAN COMPONENT**

Good Governance

**CONTACT**

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