
SUBJECT

Amendment to 401(a) Matching Contribution Plan (Staff Representative: LaVerne David)

RECOMMENDATION

To adopt Amendment 2019-I amending the Long Beach Transit (LBT) 401(a) Matching Contribution Plan ("401(a) Plan") regarding matching and non-elective contributions for each plan year for eligible participants in the Plan and authorizing the President and CEO or his designee to duly execute the amendment on behalf of LBT.

BACKGROUND

LBT competes for qualified applicants in a very competitive marketplace. In order to remain competitive, LBT proposes to increase the agency's matching contributions and non-elective contributions in order to recruit and retain high-performing employees.

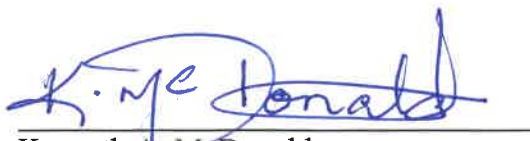
The Long Beach Transit 401(a) Plan currently provides the following Employer contributions for each Plan Year:

1. An employee with three years of service or less receives a matching contribution to the 401(a) Plan equal to an employee's salary deferrals to the Long Beach Transit Deferred Compensation Plan up to a maximum of five percent of compensation.
2. An employee with more than three years of service receives a matching contribution to the 401(a) Plan equal to an employee's salary deferrals to the Long Beach Transit Deferred Compensation Plan up to a maximum of four percent of compensation plus a non-elective contribution to the 401(a) Plan equal to three percent of compensation.

Compensation excludes overtime and bonuses.

The proposed amendment changes the Employer contributions for each Plan Year, effective as of September 1, 2019, and provides the following contributions for eligible employees irrespective of years of service:

1. A matching contribution to the 401(a) Plan equal to an employee's salary deferrals to the Long Beach Transit Deferred Compensation Plan up to a maximum of five percent of compensation, excluding overtime and bonuses; plus
2. A non-elective contribution to the 401(a) Plan equal to five percent of compensation, excluding overtime and bonuses.



Kenneth A. McDonald
President and Chief Executive Officer

RESOLUTION OF LONG BEACH TRANSIT

Resolution approving amendment to the 401(a) Matching Contribution Plan

WHEREAS, Long Beach Transit (LBT) previously established the Long Beach Transit 401(a) Matching Contribution Plan (the “401(a) Plan”) for the benefit of eligible employees and their beneficiaries with an effective date of April 1, 2011;

WHEREAS, the 401(a) Plan was subsequently restated as of July 1, 2014 and amended in 2018 pursuant to Amendment 2018-I;

WHEREAS, the Board agrees to amend the 401(a) Plan to modify the employer contribution provisions; and

WHEREAS, the Board has reviewed the proposed Amendment 2019-I to the 401(a) Plan prepared by Best Best & Krieger, LLP.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of LBT:

1. The Board hereby adopts the attached Amendment 2019-I to the 401(a) Plan, effective September 1, 2019.
2. The Board hereby authorizes the President and CEO, or his designee, to duly execute the amendment on behalf of LBT.

CERTIFICATION

The undersigned duly appointed Secretary/Treasurer certifies that the foregoing is a true and correct copy of a resolution, adopted at a legally convened meeting of the LBT Board of Directors held on September 26, 2019.

Adam Carrillo
Secretary/Treasurer, Board of Directors

Date

APPROVED AS TO FORM AND CONTENT:
BEST BEST & KRIEGER, LLP

By: _____
Attorneys for Employer

**LONG BEACH TRANSIT
401(a) MATCHING CONTRIBUTION PLAN
AMENDMENT 2019-I**

RECITALS

A. LONG BEACH TRANSIT (the “Employer”) established the LONG BEACH TRANSIT 401(a) MATCHING CONTRIBUTION PLAN (the “401(a) Plan”) for the benefit of eligible employees and their beneficiaries with an effective date of April 1, 2011.

B. The 401(a) Plan was subsequently restated as of July 1, 2014 and amended in 2018 pursuant to Amendment 2018-I.

C. The Employer now wishes to amend the 401(a) Plan effective September 1, 2019 to modify the employer contribution provisions and make other conforming changes.

D. Article 12.1 of the 401(a) Plan provides that the Employer reserves the right to amend the 401(a) Plan at any time.

AMENDMENT

NOW, THEREFORE, the Employer hereby amends THE LONG BEACH TRANSIT 401(a) MATCHING CONTRIBUTION PLAN, effective September, 1, 2019, as follows:

1. Section 7.1 of Article VII of the 401(a) Plan is amended in its entirety to read as follows:

7.1 Employer Contributions. Unless a different amount has been specified in a memorandum of understanding between the Employer and a recognized bargaining unit, the Employer shall pay into the Trust the following amounts on behalf of each Participant for each 401(a) Plan Year:

(a) a matching contribution to the 401(a) Plan equal to the amount of the Employee’s salary deferrals to the Employer’s Deferred Compensation Plan, up to a maximum contribution of five percent (5%) of the Participant’s Compensation (as defined in Section 3.5(a)) for the 401(a) Plan Year, excluding overtime and bonuses; and

(b) a nonelective contribution in amount equal to five percent (5%) of the Participant’s Compensation (as defined in Section 3.5(a)) for the 401(a) Plan Year, excluding overtime and bonuses. A Participant shall be entitled to receive the nonelective contribution regardless of whether the Participant made

salary deferrals to the Employer's Deferred Compensation Plan for the 401(a) Plan Year.

For purposes of this Section 7.1, the amount of salary deferrals subject to match under this 401(a) Plan shall not exceed the applicable annual dollar limit under Code Section 457(e)(15), excluding catch-up contributions and additional elective deferrals for Participants who are over age 50. Notwithstanding the foregoing provisions, the 401(a) Plan shall be designed to qualify as a profit-sharing plan for purposes of Sections 401(a) and 402 of the Code.

2. **Section 8.1 of Article VIII of the Plan is amended in its entirety to read as follows:**

8.1 Participant's Accounts. The following Accounts shall be established for each Participant, as follows:

(a) Matching Contribution Account. A separate "Matching Contribution Account" shall be established for each Participant and shall be credited with any Employer matching contributions allocated to the Participant pursuant to Section 7.1(a).

(b) Nonelective Contribution Account. A separate "Nonelective Contribution Account" shall be established for each Participant and shall be credited with any Employer contributions allocated to the Participant pursuant to Section 7.1(b).

[SIGNATURES TO FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the Employer has caused this Amendment 2019-I to THE LONG BEACH TRANSIT 401(a) MATCHING CONTRIBUTION PLAN to be executed as of _____, 2019.

EMPLOYER:

LONG BEACH TRANSIT

By: _____
Kenneth A. McDonald
President and Chief Executive Officer

APPROVED AS TO FORM AND CONTENT:

BEST BEST & KRIEGER, LLP

By: _____
Attorneys for Employer