



AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Katano Kasaine

**SUBJECT: ORDINANCES FOR APPROVAL OF
AMENDMENTS TO DEFERRED
COMPENSATION PLANS**

DATE: December 16, 2013

City Administrator
Approval

Date: 12-26-13

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

(1) Adopt an Ordinance approving amendments to the Deferred Compensation Plan for Full-time and Permanent Part-time employees, established by Resolution No. 68563 as amended by Resolution 75111, incorporated herein, updating the Deferred Compensation Plan to comply with State and Federal laws, establishing participant establishing participant loan and other procedures, to reflect the approved composition of the Deferred Compensation Committee and affirming the authority of the Deferred Compensation Committee to take any and all actions, and to negotiate, execute and deliver, any and all agreements and other documents that the committee may deem necessary or advisable to administer the plan.

(2) Adopt an Ordinance approving amendments to the Deferred Compensation Plan for Part-time Seasonal and Temporary employees, established by Resolution No. 68722 as amended by Resolution 75111, incorporated herein, updating the Deferred Compensation Plan to comply with State and Federal laws, establishing participant establishing participant loan and other procedures, to reflect the approved composition of the Deferred Compensation Committee and affirming the authority of the Deferred Compensation Committee to take any and all actions, and to negotiate, execute and deliver, any and all agreements and other documents that the committee may deem necessary or advisable to administer the plan.

EXECUTIVE SUMMARY

The City of Oakland first established mandatory and voluntary deferred compensation plans in 1986. The Plans were created under Section 457 of the Internal Revenue Code as an employee benefit to allow employees to defer the payment of taxes on a portion of their current compensation. Participation in the Deferred Compensation is optional for full-time and permanent part-time employees who are also covered by CalPERS. The Deferred Compensation

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program is the sole designated retirement plan for part-time, seasonal and temporary employees and participation is mandatory.

To provide coordination and oversee implementation of the employee plans, a Deferred Compensation Committee was established. Pursuant to agreements with the City's labor unions, the seven member committee consists of four employee representatives of labor unions selected by each union with plan membership, and three designated management members including the director of Personnel, director of Finance and a designee of the City Attorney. The City is the employer sponsor of the Plans and provides staff support to the employee benefit Plans. The plans and administration expenses are funded by the Plan's portfolio.

At its formation, the Committee has operated with full delegated authority and power to administer and execute the required elements of the plan based on the interests and established plan philosophies of the committee members.

OUTCOME

Approval of these ordinances will result in the extension of authority to the Deferred Compensation Committee to coordinate and oversee plan implementation including negotiating and executing contracts with 457 Plan Administrators and consultants on behalf of the collective employee membership of the voluntary Deferred Compensation Plan for full-time and permanent part-time employees, pursuant to Sections 53212-53214 of the government Code of the State of California and Section 457 and other applicable sections of the Internal Revenue Code. Action will also authorize the Deferred Compensation Committee to coordinate and oversee plan implementation of the mandatory Deferred Compensation Plan for part-time, seasonal and temporary employees pursuant to Section 3121(b) of the Internal Revenue Code.

BACKGROUND/LEGISLATIVE HISTORY

The City's Deferred Compensation Program was established in 1986 as a vehicle for City employees to save for retirement. In 1991, the original deferred compensation program was repealed and replaced. Resolution No. 68563 approved the Deferred Compensation Plan for Full-Time and Permanent Part-Time Employees on December 17, 1991. Resolution No. 68722 approved the Deferred Compensation Plan for Part-Time Seasonal and Temporary Employees on March 3, 1992. (together "the Plans") The Plans were created under Section 457 of the Internal Revenue Code to allow City employees to defer the payment of taxes on a portion of their current compensation. Participation in the Plan is optional for full-time and permanent part-time employees who are also covered by CalPERS. The Deferred Compensation plan is the sole designated retirement plan for part-time, seasonal and temporary employees and participation is mandatory.

The attached are the Amended and Restated Deferred Compensation Plans effective as of January 1, 2014, which reflect the most recent changes to federal tax law, the procedures and

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rules applicable to employee members implemented by the Committee to administer of the Plans, the current composition of the Committee and a clear statement of the Committee's delegated powers and responsibilities for administering the Plans.

The combined Plan currently has a portfolio of approximately \$370 million, consisting of about 3,600 full-time and permanent part-time employees and 3,514 part-time/seasonal/temporary employees. The fund balances of the plans are the assets of City employees and the City of Oakland holds no financial interest in the administration and growth of this plan. The Deferred Compensation plans are self-sustaining and compensation the City of Oakland for expenses incurred, including the funding of staff positions dedicated to the administration of the Deferred Compensation plans.

The Deferred Compensation Committee established by the Plan consists of solely City employees including:

- Department of Human Resources Management Director or designee
- Department of Finance Director or designee
- Office of the City Attorney Deputy Attorney or designee
- employee representatives from the OPOA, the IAFF Local 55, SEIU Local 1021 and IFPTE Local 21.

The committee is staffed by the Risk Manager and a Benefits Representative. At its inception in 1986, the Committee was delegated the responsibility to coordinate and oversee implementation of the Plan and is authorized to execute the agreement for third party administration. The record-keeping, administrative, educational and investment-related services for the Plan are performed by a third-party administrator (TPA) which is engaged by the Deferred Compensation Committee.

To continue proper administration of the Deferred Compensation Plans as intended at the inception of the Committee, the Committee requests that the Council approve the Deferred Compensation Plans, Amended and Restated as of January 1, 2014.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report.

Environmental: There are no environmental opportunities associated with this report.

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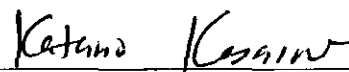
Social Equity: There *are* no social equity opportunities associated with this report.

CEQA

This report is not a project under CEQA.

For questions regarding this report, please contact Deborah Grant, Risk Manager, at (510) 238-7165.

Respectfully submitted,



Katano Kasaine
Interim Director, Department of Human
Resources Management

Prepared by:
Deborah Grant, Risk Manager
Risk and Benefits Division

Attachment (4)

Attachment A – Plan Document – Voluntary Plan

Attachment B – Plan Document – Mandatory Plan

Attachment C – Ordinance – Voluntary Plan

Attachment D – Ordinance – Mandatory Plan

CITY OF OAKLAND
DEFERRED COMPENSATION PLAN
FOR FULL-TIME AND PERMANENT PART-TIME EMPLOYEES
(AMENDED AND RESTATED JANUARY 1, 2014)

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Section 1. INTRODUCTION

The City of Oakland (the "City") maintains this City of Oakland Deferred Compensation Plan (the "Plan") for the benefit of its eligible employees. The Plan is intended to constitute an "eligible deferred compensation plan" within the meaning of section 457(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and a "deferred compensation plan" within the meaning of section 53213 of the California Government Code, as amended.

The City originally adopted the Plan effective December 17, 1991, pursuant to City of Oakland Resolution No. 68563 C.M.S. (dated December 17, 1991), and subsequently amended or restated the Plan on various occasions. The Plan is hereby amended and restated in its entirety effective January 1, 2014, except as indicated in specific provisions below, in order to conform to the applicable requirements of the tax laws, and to otherwise clarify the intended operation of the Plan.

Unless otherwise indicated, capitalized terms are defined in Section 3.

Section 2. PURPOSE OF THE PLAN

The primary purpose of the Plan is to permit eligible employees of the City to defer payment of a portion of their Compensation until death, disability, retirement, termination of employment, or other permitted payment event.

Section 3. DEFINITIONS

For purposes of this Plan, the following words and phrases have the meanings set forth below:

- 3.1 **Account** means the individual account established and maintained under Section 4.5 for each Participant (or Beneficiary or alternate payee, to the extent such person is entitled to receive amounts under the Plan). A sub-account of an Account will be established to separately account for rollover contributions from an eligible retirement plan (within the meaning of section 402(c)(8)(B) of the Code) that is not an eligible governmental plan under section 457(b) of the Code. In addition, a sub-account of an Account will be established to separately account for rollover contributions from an eligible retirement plan (within the meaning of section 402(c)(8)(B) of the Code) that is an eligible governmental plan under section 457(b) of the Code.
- 3.2 **Beneficiary** means the person(s) eligible to receive benefits under the Plan upon the Participant's death. See Section 9.
- 3.3 **City** means the City of Oakland.
- 3.4 **Code** means the Internal Revenue Code of 1986, as amended.
- 3.5 **Committee** means the person or persons appointed in accordance with Section

- 4.1 to administer the Plan. See Section 4.
- 3.6 Compensation means the total of all wages, salaries, fees for professional services and other amounts paid in a Year by the City to an Employee, including Deferred Compensation under this Plan, and any amounts contributed by the City under a salary reduction agreement that are not includible in the Employee's gross income under sections 125, 132(f), 402(b), 402(e)(3), 403(b) or 457(b) of the Code. Compensation also will include payment of accrued but unused vacation or sick pay that is paid or made available to an Employee upon his or her Severance From Employment, subject to the requirements of section 1.415(c)-2(e)(3)(i) of the Treasury Regulations.
- 3.7 Deferred Compensation means Compensation deferred on a Participant's behalf under the Plan.
- 3.8 Employee means any person classified by the City as (i) an elected official, (ii) a full-time employee, or (iii) a Permanent Part-Time Employee. "Employee" does not include any person classified by the City as an independent contractor, or a part-time, temporary or seasonal employee.
- 3.9 Includible Compensation means an Employee's actual wages in box 1 of Form W-2 for a year for services to the City, but subject to a maximum of \$250,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and increased by amounts contributed by the City under a salary reduction agreement that are not includible in the Employee's gross income under sections 125, 132(f), 402(b), 402(e)(3), 403(b) or 457(b) of the Code (including an election to defer Compensation under this Plan). "Includible Compensation" also includes amounts paid after an Employee's Severance from Employment that are described in section 1.415(c)-2(e)(i) of the Treasury Regulations. To the extent permitted by, and subject to the provisions of the Heroes Earnings Assistance and Relief Tax Act of 2008 and section 3401(h) of the Code, "Includible Compensation" includes any differential wage payments, as defined in section 3401(h)(2) of the Code.
- 3.10 Normal Retirement Age means the age, designated by a Participant, that is on or between the following ages: (i) age 65 or, if earlier, the age at which the Participant has the right to receive, under the City's basic defined benefit pension plan, immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age, and (ii) age 70 1/2.
- 3.11 Participant means a current Employee who has entered into a Participation Agreement that remains in effect, or a current or former Employee who is entitled to receive benefits under the Plan.
- 3.12 Participation Agreement means an agreement filed by an Employee to elect or modify participation in the Plan.

- 3.13 Permanent Part-Time Employee means an employee of the City who is scheduled to work less than full-time but more than half-time, on an annual basis, as determined by the City in its sole discretion.
- 3.14 Plan Assets means all assets under the Plan.
- 3.15 Severance From Employment means the date that an Employee dies, retires, or otherwise has a severance from employment with the City, as determined by the Committee (and taking into account guidance issued under the Code).
- 3.16 Treasury Regulations means the regulations adopted under the Code.
- 3.17 Trust means the trust in which Plan Assets are held. See Section 13.1.
- 3.18 Year means the calendar year.

Section 4. COMMITTEE

4.1 Composition

The Committee will consist of individuals who are designated by the City Council, pursuant to Resolution No. 68563 C.M.S., dated December 17, 1991, as amended from time to time.

4.2 Responsibilities and Authority

The Committee will administer the Plan. In furtherance of this duty, the Committee is authorized and directed as the agent of the City to conduct all negotiations and to submit and execute all documents, agreements, and amendments, subject to approval as to form and legality by the City Attorney's office, and to perform related actions which may be necessary for the completion and maintenance of any agreements necessary or prudent for administration of the Plan. The Committee will have all powers to perform duties necessary to exercise its functions with respect to the Plan including, but not limited to:

- (a) adopting rules and regulations for the administration of the Plan;
- (b) determining an individual's eligibility to participate in and receive benefits under the Plan;
- (c) establishing and maintaining written records of Accounts;
- (d) directing disbursement of benefits;
- (e) selecting and contracting with a Third Party Administrator to invest funds and perform overall administration, including marketing, education, enrollment, participant account record keeping services and other operational services for the Plan;

- (f) selecting and reviewing investment funds under the Plan; and
- (g) such powers as may be elsewhere provided in the Plan.

4.3 Delegation of Responsibilities

The Committee may appoint such agents, advisors, counsel and delegates as it deems necessary and appropriate for the administration and operation of this Plan. The Committee may delegate to such appointees any of its discretionary and ministerial powers and duties, and may pay reasonable compensation for such services as an administrative expense of the Plan, but only to the extent such compensation is not paid from other sources.

4.4 Administrative Fees and Expenses

All reasonable costs, charges and expenses incurred in connection with the administration of the Plan will be paid from Plan Assets. Notwithstanding the preceding sentence and except as provided in Section 4.3, neither the City, any Employee, nor members of the Committee (or their delegates), will be entitled to receive any compensation from the Plan other than reimbursement of expenses associated with administering the Plan.

4.5 Establishment of Accounts

The Committee shall establish and maintain a separate Account for each Participant's (or each Beneficiary's or alternate payee's) interests under the Plan. Each Account will be credited or debited, as appropriate, with the Participant's Deferred Compensation, rollover contributions, earnings and losses on the investments in which such amounts are placed, distributions, and charges for expenses.

4.6 Vesting

Each Participant is 100% vested in the value of his or her Account at all times, and the amounts credited to that Account will not be subject to forfeiture.

Section 5. PARTICIPATION IN THE PLAN

5.1 Participation Agreement

Each Employee may elect to become a Participant in the Plan and defer payment of Compensation not yet paid by entering into a written Participation Agreement at the time and in the manner required by the Committee. A Participation Agreement will remain in effect until the Participant enters into a new Participation Agreement at the time and in the manner required by the Committee.

5.2 Effective Dates for Participation Agreement

If the Participation Agreement or any modification thereof, except the cessation of contributions, is received by the 15th day of a month, it will take effect on the first payday of the following month, or a later date specified by the Committee. If received after the 15th, it will take effect on the first payday of the second month following, or a later date specified by the Committee. Requests to cease contributions will become effective on the first payday immediately following receipt of all necessary paperwork, or a later date specified by the Committee.

5.3 Leaves of Absence

Unless an election is otherwise revised, if an Employee is absent from work due to a leave of absence, the Employee's deferrals under the Plan will continue to the extent that he or she continues to receive Compensation during the leave.

Section 6. LIMITATIONS ON AMOUNTS DEFERRED

6.1 Basic Annual Limitation

The maximum amount of a Participant's total Deferred Compensation for any Year will be the maximum amount provided under the Code.

6.2 Age 50 Catch-up Contributions

A Participant who will attain age 50 or more by the end of the Year is permitted to elect an additional amount of Deferred Compensation, to the extent provided under the Code.

6.3 Special Three-Year Catch-up Limitation

If the applicable Year is one of a Participant's last three Years ending before the Year in which the Participant attains Normal Retirement Age, and the amount determined under this Section 6.3 exceeds the aggregate amount computed under Sections 6.1 and 6.2, then the maximum amount of the Participant's total Deferred Compensation for the Year will be the maximum amount provided under the Code.

6.4 Special Rules

For purposes of this Section 6, the following rules will apply:

- (a) In applying Section 6.3, a Year will be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the Year and (ii) Compensation deferred, if any, under the Plan during the Year was subject to the limitation under Section

6.1 or any other plan ceiling required by section 457(b) of the Code.

- (b) For purposes of Section 6.3(b)(ii), "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code section 457(b) plan, or a salary reduction or elective contribution under any Code section 401(k) qualified cash or deferred arrangement, Code section 402(h)(1)(B) simplified employee pension (SARSEP), Code section 403(b) annuity contract, and Code section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in section 501(c)(18) of the Code, including plans, arrangements, or accounts maintained by the City or any employer for whom the Employee performed services. However, the contributions for any Year are only taken into account for purposes of Section 6.3(b)(ii) to the extent that the total of such contributions does not exceed the aggregate limit referred to in section 457(b)(2) of the Code for that year.
- (c) For purposes of Sections 6.1, 6.2 and 6.3, an individual is treated as not having deferrals under a plan for a prior Year to the extent excess deferrals under the plan are distributed, as described in Section 6.5. To the extent that the combined deferrals for pre-2002 Years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior Years.

6.5 Correction of Excess Deferrals

If the Deferred Compensation on behalf of a Participant for any Year exceeds the limitations described above, or the Deferred Compensation on behalf of a Participant for any Year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under section 457(b) of the Code for which the Participant provides information that is accepted by the Committee, then the Deferred Compensation of that Participant for the Year, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), will be distributed to the Participant.

6.6 Pay Period Minimum

The amount deferred under the Plan by a Participant for any pay period may not be less than the minimum amount as may be specified by the Committee in its sole discretion.

6.7 City Contributions

The City may, in its sole discretion, contribute amounts to the Plan on behalf of any Participant as additional compensation for services rendered. Any such City contributions will be treated as Deferred Compensation for all purposes, including for applying the limits set forth above.

Section 7. INVESTMENTS

7.1 Investment of Accounts

In its sole discretion, the Committee will select the investment funds available under the Plan in which a Participant's (or Beneficiary's or alternate payee's) Account will be invested, and may at any time add new investment funds, or remove or freeze existing investment funds so that no new investments may be made in a frozen fund. Each Participant (or Beneficiary or alternate payee) must direct, at the time and in the manner required by the Committee, the investment of assets in his or her Account among the available investment options, subject to any applicable minimum balance requirements. If a Participant (or Beneficiary or alternate payee) does not direct the investment of any portion of the assets in his or her Account, that portion will be invested in one or more of the available investment funds as determined by the Committee.

7.2 Investment Changes

- (a) A Participant may amend his or her investment election with respect to future deferrals under the Plan by giving notice at the time and in the manner prescribed by the Committee. The amendment will take effect as soon as administratively practicable after its receipt by the Committee.
- (b) A Participant (or Beneficiary or alternate payee) may elect to transfer amounts allocated to his or her Account among and between investment funds available under the Plan at such times and in such manner as may be prescribed by the Committee.

7.3 Self Directed Brokerage Account

Under terms and conditions determined by the Committee and subject to Committee selection of investment vehicles, a Participant (or Beneficiary or alternate payee) may be eligible to utilize a self-directed brokerage account.

7.4 Investment Disclaimer

Neither the City nor the Committee will be liable for any loss associated with any Participant's (or Beneficiary's or alternate payee's) investment selections under the Plan. Furthermore, any action by the City or the Committee in investing Plan Assets, approving any such investment, or making available any investment funds will not be considered either an endorsement or a guarantee of any investment; nor shall such action be considered to attest to the financial

soundness or the suitability of any investment.

Section 8. DISTRIBUTIONS

8.1 Benefit Distributions at Severance From Employment

Upon Severance From Employment (other than due to death), a Participant is entitled to receive a distribution of his or her Account under any form of distribution permitted under Section 8.3 commencing at the date elected under Section 8.2. If the Participant does not elect otherwise, the distribution will be paid at the time and in the manner described in Section 8.5.

8.2 Election of Benefit Commencement Date

A Participant may elect to commence distribution of benefits at any time after Severance From Employment by filing, at the time and in the manner required by the Committee, a notice before the date on which benefits are to commence. However, in no event may distribution of benefits commence later than the date described in Section 8.8.

8.3 Forms of Distribution

In an election to commence benefits under Section 8.2, a Participant entitled to a distribution of benefits under Section 8.1 may elect to receive payment in any of the following forms of distribution:

- (a) lump sum;
- (b) monthly, quarterly, semi-annual or annual installments of substantially non-increasing amounts during the Participant's allowable life expectancy;
- (c) monthly, quarterly, semi-annual, or annual installments of substantially non-increasing amounts for a period of years, automatically adjusted for cost-of-living increases based on the rise in the Consumer Price Index for All Urban Consumers (CPI-U) from the third quarter of the last Year in which a cost-of-living increase was provided to the third quarter of the current Year, with any such increase made in periodic payment checks beginning the following January;
- (d) a partial lump sum payment in the first year of distribution, followed by monthly, quarterly, semi-annual or annual installments during the Participant's allowable life expectancy, as long as the annual amounts are substantially non-increasing; or
- (e) a life annuity, if available at time of distribution.

8.4 Death Benefit Distribution

Upon the death of a Participant, any balance remaining in his or her Account will be paid to his or her Beneficiary (or Beneficiaries) at the time and in the manner directed by the Participant in his or her Participation Agreement, beneficiary designation form, or such other valid form as determined by the Committee or, in the absence of such Participant direction, at the time and in the manner determined by the Committee in accordance with Section 9. If a Participant dies while performing "qualified military service" (as defined in section 414(u) of the Code), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan had the Participant resumed and then terminated employment on account of death.

8.5 Default Distribution

- (a) Before 2006, a Participant who has a Severance From Employment who fails or refuses to elect a distribution date at the time and in the manner required by the Committee will receive distribution of his or her entire Account balance as follows: (i) in a single lump sum distribution if the Account balance is \$5,000 or less at the time of notification; or (ii) in an annual periodic pay-out over a ten-year period if the Account balance is greater than \$5,000 at the time of notification.
- (b) Effective January 1, 2006, a Participant who has a Severance From Employment who fails or refuses to elect a distribution date at the time and in the manner required by the Committee will receive distribution of his or her entire Account balance in a single lump sum distribution, but only if the Account balance is \$1,000 or less at the time of notification.

8.6 Amount of Account Balance

Except as provided in Section 8.3, the amount of any payment under this Section 8 will be based on the amount of the Account balance on the date of distribution.

8.7 Revocation of Prior Election

Any election made under this Section 8 may be revoked at any time.

8.8 Minimum Required Distributions

Notwithstanding any Plan provisions to the contrary, the Plan will meet the requirements of sections 401(a)(9) (including section 401(a)(9)(G)) and 457(d)(2) of the Code relating to minimum required distributions, including the special rules that apply if a Beneficiary is a trust. Distributions required under this Section 8.8 may, in the Committee's sole discretion, be in such amounts as needed to meet

the requirements of sections 401(a)(9) and 457(d)(2) of the Code; provided that in all circumstances, the requirements of section 401(a)(9) of the Code and the related final regulations override any distribution options hereunder that are inconsistent with section 401(a)(9) of the Code..

8.9 Unforeseeable Emergency Distribution

- (a) **Distribution.** If the Participant has an unforeseeable emergency, the Participant may elect to receive a lump sum distribution equal to the amount requested or, if less, the maximum amount determined by the Committee to be permitted to be distributed under this Section 8.9.
- (b) **Unforeseeable emergency defined.** An unforeseeable emergency is defined as a severe financial hardship of the Participant resulting from: an illness or accident of the Participant or the Participant's spouse, or dependent (as defined in section 152(a), of the Code, without regard to sections 152(b)(1), (b)(2), and (d)(1)(B) of the Code); loss of the Participant's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster); the need to pay for the funeral expenses of the Participant's spouse or dependent (as defined in sections 152(a) of the Code of the Code, without regard to section 152(b)(1), (b)(2), and (d)(1)(B) of the Code); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. For example, the imminent foreclosure of or eviction from the Participant's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Except as otherwise specifically provided in this Section 8.9, neither the purchase of a home nor the payment of college tuition is an unforeseeable emergency.
- (c) **Unforeseeable emergency distribution standard.** A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of deferrals under the plan.
- (d) **Distribution necessary to satisfy emergency need.** Distributions because of an unforeseeable emergency may not exceed the amount reasonably necessary to satisfy the emergency need

(which may include any amounts necessary to pay any federal, state, or local income taxes or penalties reasonably anticipated to result from the distribution).

- (e) Suspension of deferrals. If a Participant receives an unforeseeable emergency distribution before January 1, 2006, his or her ability to defer Compensation under the Plan will be suspended for a period of six months from the date of the distribution. No such suspension of deferrals will apply to unforeseeable emergency distributions paid on or after January 1, 2006.

8.10 In-Service De Minimis Distribution

While still employed by the City, a Participant may elect to receive distribution of his or her Account balance in a lump sum, but only if:

- (a) the total balance in the Participant's Account is \$5,000 or less (or the dollar limit under section 411(a)(11) of the Code, if greater);
- (b) no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the distribution; and
- (c) the Participant has not previously received a distribution of the total amount payable to the Participant under this Section 8.10.

8.11 Taxation of Distributions

To the extent required by law, income and other taxes will be withheld from each benefit payment, and payments will be reported to the appropriate governmental agency or agencies.

8.12 Rollover Distributions

- (a) A Participant or the surviving spouse of a Participant (or a Participant's former spouse who is the alternate payee under a domestic relations order, as defined in section 414(p) of the Code) who is entitled to an eligible rollover distribution may elect, at the time and in the manner prescribed by the Committee, to have all or any portion of the distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover. Effective January 1, 2010, the Participant's designated nonspouse Beneficiary may also elect a direct rollover; provided, however, that such rollover may only be made to an individual retirement account or annuity described in section 408(a), 408(b) or (effective January 1, 2012) 408A of the Code (each, an "IRA") that is established on behalf of the designated Beneficiary and that will be treated as an

inherited IRA pursuant to the provisions of section 402(c)(11) of the Code.

- (b) For purposes of this Section 8.12, an eligible rollover distribution means any distribution of all or any portion of a Participant's Account balance, except that an eligible rollover distribution does not include (a) any installment payment under Section 8.3 for a period of 10 years or more (b) any distribution made under Section 8.9 as a result of an unforeseeable emergency, or (c) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code. In addition, an eligible retirement plan means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code, that accepts the eligible rollover distribution. Effective for distributions occurring after December 31, 2007, the term "eligible retirement plan" also includes a Roth IRA as defined in section 408A of the Code.

Section 9. BENEFICIARY

Each Participant will have the right, by filing a beneficiary designation form at the time and in the manner required by the Committee, to designate one or more Beneficiaries to receive any remaining balance in the Participant's Account upon his or her death. If no such designation is in effect upon the Participant's death, or if no designated Beneficiary survives the Participant, the Beneficiary will be the estate. If no estate executor or administrator is appointed within six months after the Participant's death, the Committee shall direct said benefits to be paid to the Beneficiary or Beneficiaries designated in the last will, or if no will, then to the heirs-at-law of the Participant.

Section 10. MISCELLANEOUS

10.1 Non-Assignability

Except as provided in Section 10.2, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and neither the Participant nor any Beneficiary will have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be nonassignable and nontransferable.

10.2 Domestic Relations Orders

Notwithstanding Section 10.1, if a judgment, decree or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to the domestic relations law of any State ("domestic relations order"), then the amount of the Participant's Account balance will be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment will be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan.

Section 11. ROLLOVERS AND PLAN-TO-PLAN TRANSFERS

11.1 Eligible Rollover Contributions to the Plan

- (a) A Participant who is an Employee and who is entitled to receive an eligible rollover distribution from another eligible retirement plan may request to have all or a portion of the eligible rollover distribution paid to the Plan. The Committee may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of section 402(c)(8)(B) of the Code.
- (b) For purposes of Section 11.1(a), an eligible rollover distribution means any distribution of all or any portion of a Participant's benefit under another eligible retirement plan, except that an eligible rollover distribution does not include (1) any installment payment for a period of 10 years or more, (2) any distribution made as a result of an unforeseeable emergency or other distribution which is made upon hardship of the employee, or (c) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9) of the Code. In addition, an eligible retirement plan means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, a qualified trust described in section 401(a) of the Code, an annuity plan described in section 403(a) or 403(b) of the Code, or an eligible governmental plan described in section 457(b) of the Code, that accepts the eligible rollover distribution.

11.2 Plan-to-Plan Transfers to the Plan

The Committee may, in its sole discretion, permit a class of Participants who are participants in another eligible governmental plan under section 457(b) of the Code to transfer assets to the Plan as provided in this Section 11.2. Such a transfer is permitted only if the other plan provides for the direct transfer of each Participant's interest therein to the Plan. The Committee may require in its sole

discretion that the transfer be in cash or other property acceptable to the Committee. The Committee may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with section 457(e)(10) of the Code and section 1.457-10(b) of the Treasury Regulations and to confirm that the other plan is an eligible governmental plan as defined in section 1.457-2(f) of the Treasury Regulations. The amount so transferred will be credited to the Participant's Account and will be held, accounted for, administered and otherwise treated in the same manner as a Participant's Deferred Compensation under the Plan, except that the transferred amount will not be considered Deferred Compensation under the Plan in determining the maximum deferral under Section 6.

11.3 Plan-to-Plan Transfers from the Plan

- (a) The Committee may, in its sole discretion, permit a class of Participants and Beneficiaries to elect to have all or any portion of their Account balance transferred to another eligible governmental plan within the meaning of section 457(b) of the Code and section 1.457-2(f) of the Treasury Regulations. A transfer is permitted under this Section 11.3(a) for a Participant only if the Participant has had a Severance From Employment with the City and is an employee of the entity that maintains the other eligible governmental plan. Further, a transfer is permitted under this Section 11.3(a) only if the other eligible governmental plan provides for the acceptance of plan-to-plan transfers with respect to the Participants and Beneficiaries and for each Participant and Beneficiary to have an amount deferred under the other plan immediately after the transfer at least equal to the amount transferred.
- (b) Upon the transfer of assets under this Section 11.3, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan will be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Committee may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section 11.3 (for example, to confirm that the receiving plan is an eligible governmental plan under paragraph (a) of this Section 11.3, and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to section 1.457-10(b) of the Treasury Regulations.

11.4 Permissive Service Credit Transfers

- (a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion

of the Participant's Account balance transferred to the detined benefit governmental plan. A transfer under this Section 11.4(a) may be made before the Participant has had a Severance From Employment.

- (b) A transfer may be made under Section 11.4(a) only if the transfer is either for the purchase of permissive service credit (as detined in section 415(n)(3)(A) of the Code) under the receiving detined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.

11.5 **Mandatory Transfer under Certain Circumstances**

If an Employee has been a Participant in the City's Part-Time, Seasonal, or Temporary Deferred Compensation Plan ("PST Plan") and becomes eligible and becomes a Participant in this Plan, subject to the terms of the PST Plan, any balance held on his or her behalf under the PST Plan will be transferred to this Plan as soon as practicable after he or she becomes a Participant in this Plan.

Section 12. **MODIFICATIONS**

12.1 **Amendment**

The Committee may at any time amend the Plan (including retroactive amendments); provided, however, that any amendment of the Plan that increases the City's costs will not be valid without the City's approval.

12.2 **Termination**

The City may terminate the Plan at any time. If the Plan is terminated, each Participant's Account balance under the Plan will be distributed in accordance with Section 7.

Section 13. **PLAN ASSETS**

13.1 **Trust Requirement**

The Trust under the Plan will meet the requirements of section 457(g) of the Code. All Compensation deferred under the Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights will constitute Plan Assets and will be held in the Trust for the exclusive benefit of Participants and Beneticiaries under the Plan. It shall be impossible, prior to payment of the all Account balances under the Plan, for any part of the Plan Assets to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneticiaries.

13.2 Timing of Deposits of Deferrals

All Compensation deferred under the Plan will be transferred to the Trust within a period that is not longer than is reasonable for the proper administration of Participants' Accounts. For this purpose, Deferred Compensation will be treated as contributed within a period that is not longer than is reasonable for the proper administration if the contribution is made to the Trust within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant.

Section 14. LOANS

14.1 Loans

A Participant who is an Employee may apply for and receive a loan from his or her Account balance as provided in this Section 14. Any such loan may not be for an amount less than the minimum amount specified by the Committee. If not specified by the Committee, the minimum loan amount will be the minimum amount determined by the Committee.

14.2 Maximum Loan Amount

No loan to a Participant under the Plan may exceed the lesser of:

- (a) \$50,000, reduced by the greater of (i) the outstanding balance on any loan from the Plan to the Participant on the date the loan is made or (ii) the highest outstanding balance on loans from the Plan to the Participant during the one-year period ending on the day before the date the loan is approved by the Committee (not taking into account any payments made during such one-year period), or
- (b) one-half of the value of the Participant's Account balance (as of the most recent valuation date preceding the date on which such loan is approved by the Committee).

14.3 Terms of Loan

The terms of the loan must:

- (a) require level amortization with payments not less frequently than quarterly throughout the repayment period, except that alternative arrangements for repayment may apply in the event that the borrower is on an bona fide unpaid leave of absence for a period not to exceed one year for leaves other than a qualified military leave within the meaning of section 414(u) of the Code or for the duration of a leave which is due to qualified military service;

- (b) require that the loan be repaid within five years unless the Participant certifies in writing to the Committee that the loan is to be used to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as a principal residence of the Participant; and
- (c) provide for interest at a commercially reasonable rate, as determined by the Committee in accordance with section 72 of the Code and the regulations thereto.

14.4 Security for Loan; Default

- (a) **Security.** Any loan to a Participant under the Plan must be secured by the pledge of the portion of the Participant's interest in the Plan invested in such loan.
- (b) **Default.** If a Participant fails to make a loan payment under this Section 14 within 90 days after the date such payment is due, a default on the loan will occur and the outstanding balance of the loan shall be a deemed distribution to the Participant. In the event of such default, (i) all remaining payments on the loan will be immediately due and payable, (ii) effective as of the first day of the calendar month next following the month in which any such loan default occurs, the interest rate for such loan will be (if higher than the rate otherwise applicable) the rate being charged on loans from the Plan that are approved by the Committee in the month in which such default occurs, (iii) no contributions will be made on such Participant's behalf prior to the first payroll period that follows by 12 calendar months the date of repayment in full of such loan, and (iv) the Participant will be permanently ineligible for any future loans from the Plan.

In the case of any default on a loan to a Participant, the Committee shall apply the portion of the Participant's interest in the Plan held as security for the loan in satisfaction of the loan on the date of Severance From Employment. In addition, the Committee shall take any legal action it shall consider necessary or appropriate to enforce collection of the unpaid loan, with the costs of any legal proceeding or collection to be charged to the Account balance of the Participant.

Notwithstanding anything in the Plan to the contrary, if a loan is outstanding under the Plan on the date of a Participant's death, his or her estate will be his or her Beneficiary as to the portion of his or her interest in the Plan invested in such loan (with the Beneficiary or Beneficiaries as to the remainder of his or her interest in the Plan to be determined in accordance with otherwise applicable provisions of the Plan).

14.5 Repayment

The Participant will be required to repay a loan under the Plan under conditions established in the sole discretion of the Committee, including but not limited to withholdings from the Participant's Compensation, subject to the applicable requirements of the Code and the regulations under the Code.

Section 15. LEGAL SAFEGUARDS

This Plan will be construed, administered and enforced according to the laws of the State of California, the provisions of section 457 of the Code, and the applicable regulations under the Code. If any portion of this Plan is held illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder shall be unaffected. Words used herein in the singular include the plural and the plural the singular where applicable, and one gender includes the other gender where appropriate.

Neither the establishment of the Plan nor any modification thereof, nor the establishment of any account, nor any agreement between the City and service provider for the Plan, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the City except as herein provided; and, in no event, shall the terms of employment of any Employee be modified or in any way affected hereby.

**CITY OF OAKLAND
DEFERRED COMPENSATION PLAN
FOR PART-TIME, SEASONAL, AND TEMPORARY EMPLOYEES**

As Restated Effective January 1, 2014

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**CITY OF OAKLAND
DEFERRED COMPENSATION PLAN
FOR PART-TIME, SEASONAL, AND TEMPORARY EMPLOYEES**

As Restated Effective January 1, 2014

SECTION 1. INTRODUCTION

Pursuant to Resolution No. 68722, dated March 3, 1992, the City of Oakland ("Employer") established the City of Oakland Deferred Compensation Plan for Part-Time, Seasonal and Temporary Employees (the "Plan") effective July 1, 1991.

Since then, the Plan has been amended and restated on various occasions. The Employer wishes to restate the Plan to conform with recent changes to the tax laws, and to further clarify the Plan's intended operation. Accordingly, the Employer hereby adopts this restatement of the Plan, effective January 1, 2014, except as indicated in specific provisions below.

Generally, under the federal tax laws, an employee of the Employer is subject to federal Social Security tax, unless the employee is a member of a retirement system (as defined by section 3121(b)(7)(F) of the Internal Revenue Code) sponsored by the Employer. It is intended that the Plan constitute a retirement system for this purpose, and that, accordingly, compensation paid by the Employer to employees covered by the Plan be exempt from federal Social Security taxes.

The Plan is intended to be an eligible deferred compensation plan under section 457(b) of the Internal Revenue Code. It is further intended that the Plan, and the trust established to hold Plan assets, will meet the requirements of a pension trust under sections 53212 - 53214 of the California Government Code, or their successor sections. In accordance with section 457(g)(1) of the Internal Revenue Code, trust assets will be held for the exclusive benefit of Plan participants and their beneficiaries.

SECTION 2. DEFINITIONS

Unless context indicates otherwise, capitalized terms used in the Plan have the following meanings:

- 2.1 **Account** means the account maintained under the Plan for each Participant or Beneficiary to reflect each such person's interest in the Plan.
- 2.2 **Beneficiary** means the person, persons, trust, or other entity entitled to receive the Participant's Account upon the Participant's death. See Section 8.
- 2.3 **Code** means the Internal Revenue Code of 1986, as amended.
- 2.4 **Committee** means the person or persons designated by the Employer to administer the Plan. See Section 9.

- 2.5 Compensation means all amounts which are paid to, or for the benefit of, a Participant for services performed for the Employer, subject to the requirements of section 1.415(c)-2(e)(3)(i) of the Treasury Regulations.
- 2.6 Eligible Employee means any Employee who is either part-time (i.e., works less than half-time annually), seasonal, or temporary. Eligible Employee does not, however, include any Employee who (a) is covered by a Retirement System (other than this Plan) maintained by the Employer, or (b) is exempt from coverage under Social Security by federal law or regulation.
- 2.7 Employee means any common-law employee of the Employer. Employee does not include independent contractors.
- 2.8 Employer means the City of Oakland.
- 2.9 Includible Compensation means an Employee's actual wages in box 1 of Form W-2 for a year for services to the Employer, but subject to a maximum of \$250,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and increased by amounts contributed by the Employer under a salary reduction agreement that are not includible in the Employee's gross income under sections 125, 132(f), 402(b), 402(e)(3), 403(b) or 457(b) of the Code (including an election to defer Compensation under this Plan). "Includible Compensation" also includes amounts paid after an Employee's Severance from Employment that are described in section 1.415(c)-2(e)(i) of the Treasury Regulations. To the extent permitted by, and subject to the provisions of the Heroes Earnings Assistance and Relief Tax Act of 2008 and section 3401(h) of the Code, "Includible Compensation" includes any differential wage payments, as defined in section 3401(h)(2) of the Code..
- 2.10 Participant means any Eligible Employee who has met the requirements of Section 3.1 to participate in the Plan, and whose participation has not terminated in accordance with Section 3.2.
- 2.11 Required Beginning Date means April 1 of the calendar year following the later of (1) the calendar year in which a Participant attains age 70½, or (2) the calendar year in which the Participant has a Termination of Employment.
- 2.12 Retirement System means any plan that meets the requirements for a retirement system under section 3121(b)(7)(F) of the Code and the regulations under the Code. This Plan is intended to constitute a Retirement System.
- 2.13 Social Security means the Social Security program as set forth in Title 42 of the United States Code, section 301 et seq.
- 2.14 Termination of Employment means the complete cessation of an Employee's employment with the Employer for any reason, including but not limited to death, disability, resignation, or retirement.
- 2.15 Treasury Regulations means the regulations adopted under the Code.

- 2.16** Trust means the trust or custodial account established, under a written agreement between the Employer and the trustee or custodian selected by the Employer, to hold assets under the Plan in accordance with section 457(g)(1) of the Code. For this purpose, a custodial account means an instrument that is treated as a trust under section 457(g)(3) of the Code. See Section 11.

SECTION 3. PLAN PARTICIPATION

- 3.1** Commencement of Participation. Each person who is a Participant immediately before July 1, 2010, will remain a Participant. Thereafter, each person will become a Participant on the date he or she first becomes an Eligible Employee.
- 3.2** Termination of Participation. A Participant's participation in the Plan will cease upon the earlier of the Participant's death, or the complete disbursement of the Participant's Account.
- 3.3** Reemployment/Reclassification. A person whose participation in the Plan ceases under Section 3.2 will subsequently become a Participant upon meeting Section 3.1 again.

SECTION 4. PLAN CONTRIBUTIONS AND LIMITATIONS

- 4.1** Contributions. Contributions made under the Plan will be transferred to the Trust within a reasonable period of time. Transfers will not take longer than is reasonable for the proper administration of the Accounts.
- 4.2** Employee Contributions. Each Eligible Employee must contribute 3.75% of his or her Compensation to the Eligible Employee's Account. The Employer will automatically deduct the contributions from the Eligible Employee's paychecks. The Eligible Employee may not change his or her contribution percentage.
- 4.3** Employer Contributions. The Employer will contribute an amount equal to 3.75% of each Eligible Employee's Compensation to his or her Account. The contributions will be made at the time determined by the Employer, but not less frequently than annually. The Employer, in its sole discretion, may modify its contribution percentage. At no time, however, will employer contributions fall below the percentage required for the Plan to be a Retirement System.
- 4.4** Annual Contribution Limit. The maximum amount that may be contributed to an Eligible Employee's Account for any calendar year may not exceed the lesser of:
- (a) 100% of the Participant's Includible Compensation, or
 - (b) the applicable dollar limit in effect for the year under section 457(b)(2)(A) of the Code will be the maximum amount provided under the Code.
- 4.5** Excess Contributions. Any amount contributed to a Participant's Account in excess of the maximum contribution limit described in Section 4.4 is taxable income to the Participant, and will be distributed to the Participant, including

allocable net income, as soon as administratively practicable after the Plan determines that the amount is an excess contribution.

- 4.6 Individual Limit under Multiple Plans.** If a Participant participates in more than one eligible deferred compensation plan (as defined in section 457(b) of the Code) for a calendar year, contributions under all plans may not exceed the maximum dollar limit described in Section 4.4(b) above for any year.
- 4.7 Cessation of Contributions.** Contributions under the Plan will be made only by or for Eligible Employees. If a Participant ceases to be an Eligible Employee for any reason, including transfer to a full-time or permanent part-time position, no further contributions will be made under this Plan for or by the Participant unless and until he or she again becomes an Eligible Employee.
- 4.8 No Other Contributions.** No contributions other than as provided in Sections 4.2 and 4.3 may be made to the Plan. The Plan will not accept rollover contributions or transfers from other plans.

SECTION 5. VESTING

Each Participant is fully vested in his or her Account balance at all times.

SECTION 6. INVESTMENT OF CONTRIBUTIONS

- 6.1 Directed Investments.** The Committee shall invest assets in each Participant's Account in investment funds selected by the Committee. All investment options will be selected in accordance with section 17 of article XVI of the California Constitution.
- 6.2 Disclaimer.** Any action by the Committee in investing funds, or approving any such investment of funds, will not be considered an endorsement or guarantee of any investment. The Committee does not in any way guarantee the Plan assets from loss or depreciation. Liability to make any payment under the Plan will be limited to the assets held in the Trust for that purpose.
- 6.3 Valuation.** The value of Plan assets will be determined periodically in a manner selected by the Committee in its discretion (but not less frequently than annually). Gains and losses on investments in which Plan assets are invested will be allocated to each Account in the same proportion as the total balance in the Account bears to the aggregate balance of all Accounts under the Plan.
- 6.4 Statements.** Statements will periodically be issued to Participants or Beneficiaries to reflect the balance in each Account and certain transactions and adjustments affecting the balance, including investment earnings or losses, contributions, and distributions.

SECTION 7. DISTRIBUTIONS

7.1 Distribution Events. A Participant's Account may be distributed upon the earlier of the Participant's:

- (a) Termination of Employment; or
- (b) attainment of age 70 ½.

7.2 Timing of Distribution.

- (a) The Participant (or, after the Participant's death, his or her Beneficiary) may elect, at the time and in the manner determined by the Committee, to receive distribution of all or any portion of the Participant's Account, commencing on or after a distribution event under Section 7.1. Distribution will begin as soon as administratively practicable after such election.
- (b) Effective January 1, 2006, if within one year after a Participant's Termination of Employment, the Participant has not been rehired as an Employee, the Participant's entire Account will be automatically distributed within 90 days after the one-year anniversary of Termination of Employment, but only if the Participant's Account balance is \$1,000 or less.

7.3 Form of Distribution. A Participant's Account may be distributed, less any required federal- or state-tax withholdings, in any one of the following forms, as elected by the Participant or Beneficiary:

- (a) lump sum payment; or
- (b) any other distribution form permitted by the Committee in its discretion, which form may include partial payments, installments, or any other form.

A Participant or Beneficiary may elect to change the form of distribution for any amounts not yet distributed. Any such change must be made in the time and in the manner determined by the Committee.

7.4 Required Minimum Distributions. The Plan is subject to the minimum distribution requirements under sections 457(d)(2) and 401(a)(9) of the Code. These requirements are set out in Appendix A of the Plan.

7.5 Direct Rollovers. Effective for distributions after December 31, 2001, upon distribution from an Account, if the recipient is an Eligible Distributee, he or she may elect to have any portion of the distribution that is an Eligible Rollover Distribution paid in the form of a direct rollover (as described in section 401(a)(31) of the Code) to the trustee or custodian of an Eligible Retirement Plan that accepts direct rollovers. For this purpose:

- (a) Eligible Distributee means a Participant, a Participant's surviving spouse, or a Participant's spouse or former spouse who is an alternate payee under a domestic relations order which is treated as a qualified domestic relations order to the extent provided in Code section

414(p)(11), and such other persons as come within the definition of the term as used in Code section 401(a)(31)(A). Effective January 1, 2010, the term "Eligible Distributee" also includes the Participant's nonspouse designated beneficiary. In the case of a nonspouse beneficiary, the direct rollover may be made only to an individual retirement account or annuity described in section 408(a), 408(b) or (effective January 1, 2012) 408A of the Code (each, an "IRA") that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of section 402(c)(11) of the Code. Also, in this case, the determination of any required minimum distribution under Section 401(a)(9) of the Code that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395.

- (b) **Eligible Rollover Distribution** means any distribution of all or any portion of the Participant's Account other than: a distribution that is one of a series of substantially equal periodic payments made annually or more frequently either over the life (or life expectancy) of the Participant or the joint lives (or life expectancies) of the Participant and the Participant's designated Beneficiary or over a specified period of 10 years or more; a distribution required to meet the minimum distribution requirements of section 401(a)(9) of the Code; or any other amount excluded from the definition of "Eligible Rollover Distribution" under the Code or other applicable law.
- (c) **Eligible Retirement Plan** means: an individual retirement account described in section 408(a) of the Code; an individual retirement annuity described in section 408(b) of the Code (other than an endowment contract); an annuity plan described in section 403(a) of the Code; a plan qualified under section 401(a) of the Code that by its terms permits the acceptance of rollover contributions; a governmental 457(b) plan; or, an annuity contract described in section 403(b) of the Code. Effective for distributions after December 31, 2007, the term "Eligible Retirement Plan" also includes a Roth IRA as defined in section 408A of the Code.

7.6 Employment Transition. If a Participant becomes eligible to participate in the Employer's Full-Time and Permanent Part-Time Plan, an Employer-sponsored plan that constitutes an "eligible deferred compensation plan" under section 457(b) of the Code, the Participant's Account under this Plan may be transferred to the Full-Time and Permanent Part-Time Plan in accordance with section 1.457-10(b)(4) of the Treasury Regulations. Any such transfer will be made at the time and in the manner determined by the Committee.

7.7 Qualified Domestic Relations Order (QDRO). Subject to procedures established by the Employer, benefits may be paid from the balance of a Participant's Account in accordance with a QDRO.

SECTION 8. BENEFICIARY

- 8.1 Designating a Beneficiary.** Each Participant will designate in writing the Beneficiary or Beneficiaries whom such Participant desires to receive the benefits (if any) that are payable under the Plan upon the Participant's death. Such designation must be evidenced by a written instrument filed with the Employer, on a form prescribed by the Employer, and signed by the Participant.
- 8.2 Changing Beneficiaries.** Submitting a new beneficiary designation form will cancel all designation forms previously on file with the Employer. The Employer must receive the Beneficiary designation before the Participant's death to be effective.
- 8.3 No Beneficiary Designation.** If no designation is in effect upon the Participant's death or all Beneficiaries predecease the Participant, the Beneficiary will be the Beneficiary named in the Participant's will. If the Participant does not have a will, benefits will be distributed to the Participant's heirs as determined under the state law for intestate estates.

SECTION 9. COMMITTEE

- 9.1 Composition.** The Committee is composed of individuals who are designated by the Employer from time to time. If at any time no members have been appointed, the Employer will serve as the Committee.
- 9.2 Responsibilities.** The Committee will administer the Plan. In furtherance of this duty, the Committee is authorized to conduct all negotiations and to submit and execute all documents, agreements, and amendments, subject as to approval of form and legality by the City Attorney's office, and to perform related actions that may be necessary for the completion and maintenance of any agreements necessary or prudent for administration of the Plan..
- 9.3 Delegation of Responsibilities.** The Committee may appoint such agents, advisors, counsel, and other delegates as it deems necessary and appropriate for the administration and operation of this Plan. Further, the Committee may delegate to such appointees any of its duties, or any of its discretionary and ministerial powers, in accordance with this Section to the extent doing so is consistent with the Committee's fiduciary duty.
- 9.4 Authority.** The Committee will have all powers and authority necessary to perform its functions, including, but not limited to:
- (a) recommending procedures and regulations for the administration of the Plan;
 - (b) construing and interpreting the Plan and making factual determinations concerning the Plan's terms, including the following: eligibility to participate; amount of benefits payable under the Plan; remedy ambiguities, inconsistencies or omissions; and making adjustments or corrections as may be necessary to correct errors in Accounts;
 - (c) establishing and maintaining written records of Accounts;

- (d) directing the disbursement of benefits;
- (e) furnishing the Employer with the information required to perform its duties as the Employer and plan sponsor;
- (f) selecting and contracting with a Third Party Administrator to invest funds and perform overall administration, including marketing, education, enrollment, participant account record keeping services and other operational services for the Plan;
- (g) selecting and reviewing investment options; and
- (h) such other powers as may be provided elsewhere in the Plan.

SECTION 10. AMENDMENT AND TERMINATION

10.1 Amendment. The Employer may amend the Plan at any time and for any reason.

10.2 Plan Termination. While the Employer expects and intends to continue the Plan, the Employer reserves the right to terminate the Plan at any time and for any reason.

10.3 Effect of Amendment or Termination.

- (a) Regardless of any amendment or termination of the Plan, the Employer will at no time be liable for the payment of any benefits under the Plan. All benefits under the Plan will be payable solely from the assets of the Trust.
- (b) No amendment or termination of the Plan may: change the trustee's duties or liabilities without its consent; result in the return of any part of the Trust assets to the Employer; or, result in the distribution of the Trust assets for the benefit of anyone other than Participants or any other person entitled to benefits under the Plan.

SECTION 11. PLAN ASSETS

All amounts contributed to the Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights will be held in trust for the exclusive benefit of Participants and Beneficiaries. It will be impossible, before the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets under the Trust to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and Beneficiaries. The Trust is intended to comply with section 457(g) of the Code, and is established under a written agreement that constitutes a valid trust under California law. The Trust implements and forms a part of the Plan. The provisions and benefits of the Plan are subject to the terms and provisions of the Trust.

SECTION 12. USERRA

To the extent applicable, service credit, contributions, accrual, and benefits with respect to qualified military service will be provided in accordance with section 414(u) of the Code.

SECTION 13. GENERAL PROVISIONS

- 13.1 Assignment.** Except as otherwise provided in the Plan, the interests of Participants and Beneficiaries under the Plan are not subject to their debts or other obligations and, except as may be required by law, may not be voluntarily or involuntarily sold, transferred, alienated, or assigned. Notwithstanding the foregoing, the Plan shall comply with any domestic relations order that, in accordance with procedures established by the Committee, is determined to be a QDRO.
- 13.2 Controlling Law.** To the extent not superseded by federal law, California law controls all matters related to the Plan.
- 13.3 No Employment or Service Rights.** The Plan does not constitute a contract of employment or service, and participation in the Plan does not give any person the right to be retained in the Employer's employment or service.
- 13.4 Severability.** If any provision of this Plan is held illegal or invalid for any reason, such illegality, or invalidity shall not affect the remaining provisions of the Plan, and the Plan shall be construed and enforced as if such illegal and invalid provision had never been set forth in the Plan.
- 13.5 No Reversion.** The Employer will not at any time have any right, title, or interest in the assets of the Trust.
- 13.6 Plan Expenses.** The reasonable cost of administering the Plan will be paid with assets under the Trust unless paid by the Employer.
- 13.7 Plan Information.** For additional information contact:

City of Oakland
Deferred Compensation Benefits Representative
(510) 238-6769

APPENDIX A

MINIMUM DISTRIBUTION REQUIREMENTS

A.1 General Rules.

- (a) **Effective Date.** This Appendix A will apply for purposes of determining required minimum distributions for calendar years beginning after 2002.
- (b) **Precedence.** Appendix A will take precedence over any inconsistent provisions of the Plan; however, Appendix A will not be considered to allow a Participant or Beneficiary to delay a distribution or elect an optional form of benefit not otherwise provided in the Plan.
- (c) **Treasury Regulations Incorporated.** All distributions required under Appendix A will be determined and made in accordance with the Treasury Regulations under section 401(a)(9) of the Internal Revenue Code.

A.2 Time and Manner of Distribution.

- (a) **Required Beginning Date.** The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
- (b) **Death of Participant Before Distributions Begin.** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
 - (1) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, then, except as provided elsewhere in Appendix A, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.
 - (2) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, then, except as provided elsewhere in Appendix A, distributions to the Designated Beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
 - (3) If there is no Designated Beneficiary as of September 30 of the calendar year following the calendar year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (4) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section A.2(b), other than Section A.2(b)(1), will apply as if the surviving spouse were the Participant.

For purposes of this Section A.2(b) and Section A.4, unless Section A.2(b)(4) applies, distributions are considered to begin on the Participant's Required Beginning Date. If Section A.2(b)(4) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under Section A.2(b)(1).

- (c) **Forms of Distribution.** Unless the Participant's interest is distributed in the form of a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with Sections A.3 and A.4 of Appendix A.

A.3 Required Minimum Distributions During Participant's Lifetime.

- (a) **Amount of Required Minimum Distribution For Each Distribution Calendar Year.** During the Participant's lifetime, the minimum amount that will be distributed for each Distribution Calendar Year is the lesser of:
 - (1) the quotient obtained by dividing the Participant's Account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's age as of the Participant's birthday in the Distribution Calendar Year; or
 - (2) if the Participant's sole Designated Beneficiary for the Distribution Calendar Year is the Participant's spouse, the quotient obtained by dividing the Participant's Account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the Distribution Calendar Year.
- (b) **Lifetime Required Minimum Distributions Continue Through Year of Participant's Death.** Required minimum distributions will be determined under this Section A.3 beginning with the first Distribution Calendar Year and up to and including the Distribution Calendar Year that includes the Participant's date of death.

A.4 Required Minimum Distributions After Participant's Death.

- (a) **Death On or After Date Distributions Begin.**
 - (1) **Participant Survived by Designated Beneficiary.** If the Participant dies on or after the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the longer of the remaining Life Expectancy of the Participant or the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as follows:
 - (A) The Participant's remaining Life Expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

- (B) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, the remaining Life Expectancy of the surviving spouse is calculated for each Distribution Calendar Year after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For Distribution Calendar Years after the year of the surviving spouse's death, the remaining Life Expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
 - (C) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, the Designated Beneficiary's remaining Life Expectancy is calculated using the age of the beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
 - (2) **No Designated Beneficiary.** If the Participant dies on or after the date distributions begin and there is no Designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the Participant's remaining Life Expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
- (b) **Death Before Date Distributions Begin.**
- (1) **Participant Survived by Designated Beneficiary.** Except as provided elsewhere in this Appendix A, if the Participant dies before the date distributions begin and there is a Designated Beneficiary, the minimum amount that will be distributed for each Distribution Calendar Year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the remaining Life Expectancy of the Participant's Designated Beneficiary, determined as provided in Section A.4(a).
 - (2) **No Designated Beneficiary.** If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (c) **Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.** If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under Section A.2(b)(1), this Section A.4(b) will apply as if the surviving spouse were the Participant.

A.5 Definitions. For purposes of Appendix A, the following terms have the meanings set forth below:

- (a) **Designated Beneficiary.** The individual who is designated as the beneficiary under Section 1.5 of the Plan is the designated beneficiary under Section 401(a)(9) of the Internal Revenue Code and Section 1.401(a)(9)-1, Q&A-4, of the Treasury Regulations.
- (b) **Distribution Calendar Year.** A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section A.2(b). The required minimum distribution for the participant's first distribution calendar year will be made on or before the Participant's Required Beginning Date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's Required Beginning Date occurs, will be made on or before December 31 of that distribution calendar year.
- (c) **Life Expectancy.** Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.
- (d) **Participant's Account Balance.** The account balance as of the last valuation date in the calendar year immediately preceding the Distribution Calendar Year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.
- (e) **Required Beginning Date.** The Required Beginning Date means April 1 of the calendar year following the later of (a) the calendar year in which the Participant attains age seventy and a half (70 ½), or (b) the calendar year in which the Employee has a Break in Employment.

A.6 Effective Date of Plan Amendment for Section 401(a)(9) Final and Temporary Treasury Regulations.

Appendix A applies for purposes of determining required minimum distributions for Distribution Calendar Years beginning with the 2003 calendar year.

INTRODUCED BY COUNCILMEMBER

FILED

OFFICE OF THE CITY CLERK
OAKLAND


CITY ATTORNEY

2013 DEC 30 PM 2:28

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

ORDINANCE APPROVING AMENDMENTS TO THE DEFERRED COMPENSATION PLAN FOR FULL-TIME AND PERMANENT PART-TIME EMPLOYEES, ESTABLISHED BY RESOLUTION NO. 68563, AS AMENDED BY RESOLUTION 75111, INCORPORATED HEREIN, UPDATING THE DEFERRED COMPENSATION PLAN TO COMPLY WITH STATE AND FEDERAL LAWS, ESTABLISHING PARTICIPANT LOAN AND OTHER PROCEDURES, TO REFLECT THE APPROVED COMPOSITION OF THE DEFERRED COMPENSATION COMMITTEE, AND AFFIRMING THE AUTHORITY OF THE DEFERRED COMPENSATION COMMITTEE TAKE ANY AND ALL ACTIONS, AND TO NEGOTIATE, EXECUTE AND DELIVER, ANY AND ALL AGREEMENTS AND OTHER DOCUMENTS THAT THE COMMITTEE MAY DEEM NECESSARY OR ADVISABLE TO ADMINISTER THE PLAN.

WHEREAS, pursuant to Resolution No. 68563, as amended by Resolution No. 75111, which are fully incorporated by reference herein, the City Council authorized the establishment of a deferred compensation program for the benefit of City's for full-time and permanent part-time employees and authorized the Deferred Compensation Committee to administer and oversee program implementation, pursuant to Sections 53212-53214 of the Government Code of the State of California and Section 457 and other applicable sections of the Internal Revenue Code; and

WHEREAS, pursuant to Resolution No. 68563, as amended by Resolution No. 75111, and the City's labor agreements with its employee unions, the following City employees are designated to serve on the seven member Deferred Compensation Committee and oversee the deferred compensation program: the Director of the Office of Personnel Resource Management or designated representative, the Director of the Office of Finance or designated representative, the City Attorney or designated representative, a representative of the Oakland Police Officers' Association, a representative of the International Association of Fire Fighters, Local 55, a representative of United Public Employees, Local 790, and a representative of Professional and Technical Engineers, Local 21; and

WHEREAS, that pursuant to the Memoranda of Understanding between the unions and the City, the four employee representatives of labor unions serving on the Deferred Compensation Committee are selected by the unions represented; and

WHEREAS, the City is the Employer sponsor of the Deferred Compensation Plan and the assets of the Deferred Compensation Plan are comprised exclusively of deferred earned compensation of City employees, which is held in trust for the exclusive benefit of employee participants; and

WHEREAS, on December 17, 1991, the Council approved by to Resolution No. 68563, the Deferred Compensation Plan for Full Time and Permanent Part-Time Employees ("the Plan"); and

WHEREAS, since approval in 1991, the Plan has been amended and restated on various occasions; and

WHEREAS, the City wishes to amend and restate the Plan to conform with recent changes to the tax laws, establishing participant loan and other procedures, to reflect the approved composition of the deferred compensation committee, and affirming the authority of the Deferred Compensation Committee take any and all actions, and to negotiate, execute and deliver, any and all agreements and other documents that the Deferred Compensation Committee may deem necessary or advisable to administer the plan; now, therefore

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1: Recitals True and Correct. The City Council finds and determines that the foregoing recitals are true and correct and are hereby incorporated herein.

Section 2: Approval of the Plan. The City Council approves and adopts the Deferred Compensation Plan for Full Time and Permanent Part-Time Employees (Amended and Restated January 1, 2014), attached hereto as Exhibit A, to be effective as of January 1, 2014.

Section 3: Effective date. This Ordinance shall be effective immediately, if passed by an affirmative vote of at least six City Council members; if this ordinance is passed by five affirmative votes, the Ordinance it will be effective seven days after final passage.

IN COUNCIL, OAKLAND, CALIFORNIA, JANUARY __, 2014

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID,
SCHAAF, AND PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California

INTRODUCED BY COUNCILMEMBER


 CITY ATTORNEY

 FILED
 OFFICE OF THE CITY CLERK
 OAKLAND

2013 DEC 30 PM 2:39

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

ORDINANCE APPROVING AMENDMENTS TO THE DEFERRED COMPENSATION PLAN FOR PART-TIME SEASONAL AND TEMPORARY EMPLOYEES, ESTABLISHED BY RESOLUTION NO. 68722, AS AMENDED BY RESOLUTION 75111, INCORPORATED HEREIN, UPDATING THE DEFERRED COMPENSATION PLAN TO COMPLY WITH STATE AND FEDERAL LAWS, ESTABLISHING PARTICIPANT LOAN AND OTHER PROCEDURES, TO REFLECT THE APPROVED COMPOSITION OF THE DEFERRED COMPENSATION COMMITTEE, AND AFFIRMING THE AUTHORITY OF THE DEFERRED COMPENSATION COMMITTEE TAKE ANY AND ALL ACTIONS, AND TO NEGOTIATE, EXECUTE AND DELIVER, ANY AND ALL AGREEMENTS AND OTHER DOCUMENTS THAT THE COMMITTEE MAY DEEM NECESSARY OR ADVISABLE TO ADMINISTER THE PLAN.

WHEREAS, Section 3121(b)(7)(f) of the Internal Revenue Code mandates that all part-time, temporary and seasonal employees who work less than half time annually be covered by a qualified retirement program; and

WHEREAS, pursuant to Resolution No. 68722, as amended by Resolution No. 75111, which are fully incorporated by reference herein, the City Council authorized the establishment of a deferred compensation program for the benefit of the City's for part-time seasonal and temporary employees and authorized the Deferred Compensation Committee to administer and oversee program implementation, pursuant to Sections 53212-53214 of the Government Code of the State of California and Section 457 and other applicable sections of the Internal Revenue Code; and

WHEREAS, also, pursuant to Resolution No. 68722, as amended by Resolution No. 75111, and the City's labor agreements with its employee unions, the following City employees are designated to serve on the seven member Deferred Compensation Committee and oversee the deferred compensation program: the Director of the Office of Personnel Resource Management or designated representative, the Director of the Office of Finance or designated representative, the City Attorney or designated representative, a representative of the Oakland Police Officers' Association, a representative of the International Association of Fire Fighters, Local 55, a representative of United Public Employees, Local 790, and a representative of Professional and Technical Engineers, Local 21; and

WHEREAS, that pursuant to the Memoranda of Understanding between the unions and the City, the four employee representatives of labor unions serving on the Deferred Compensation Committee are selected by the unions represented; and

WHEREAS, the City is the Employer sponsor of the Deferred Compensation Plan and the assets of the Deferred Compensation Plan are comprised exclusively of deferred earned compensation of City employees, which is held in trust for the exclusive benefit of employee participants; and

WHEREAS, on March 3, 1992, the Council approved by to Resolution No. 68563, the Deferred Compensation Plan for part-time seasonal and temporary employees (“the Plan”); and

WHEREAS, since approval in 1992, the Plan has been amended and restated on various occasions; and

WHEREAS, the City wishes to amend and restate the Plan to conform with recent changes to the tax laws, establishing participant loan and other procedures, to reflect the approved composition of the deferred compensation committee, and affirming the authority of the Deferred Compensation Committee take any and all actions, and to negotiate, execute and deliver, any and all agreements and other documents that the Deferred Compensation Committee may deem necessary or advisable to administer the plan; now, therefore

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1: Recitals True and Correct. The City Council finds and determines that the foregoing recitals are true and correct and are hereby incorporated herein.

Section 2: Approval of the Plan. The City Council approves and adopts the attached Deferred Compensation Plan for Part-time Seasonal and Temporary Employees (Amended and Restated January 1, 2014), attached hereto as Exhibit A, to be effective as of January 1, 2014.

Section 3: Effective date. This Ordinance shall be effective immediately, if passed by an affirmative vote of at least six City Council members; if this ordinance is passed by five affirmative votes, the Ordinance it will be effective seven days after final passage.

IN COUNCIL, OAKLAND, CALIFORNIA, JANUARY __, 2014

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID,
SCHAAF, AND PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California