

RESOLUTION NO. R-15-24

A RESOLUTION AUTHORIZING THE CITY MANAGER TO AMEND THE RETIREMENT HEALTH SAVINGS (RHS) PLAN TO INCLUDE A REVISION TO THE DEFINITION OF SPOUSE

WHEREAS, the City of Gladstone has established and maintains a retiree health savings plan in the form of the ICMA Retirement Corporation's VantageCare Retirement Health Savings program, as amended (the "Plan"); and

WHEREAS, the assets of the Plan are held in trust for exclusive benefit of Plan participants and their spouses and dependents, and shall not be diverted to any other purpose prior to the satisfaction of all liabilities of the plan; and

WHEREAS, the plan has operated in accordance with federal recognition of same-sex spouses; and

WHEREAS, an amendment to the City of Gladstone's Plan in accordance with federal recognition of same-sex spouse is adopted to comply with Internal Revenue Service guidance issued in response to the Supreme Court's decision in United States v. Windsor.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:

The City of Gladstone hereby amends the Retirement Health Savings (RHS) Plan (Plan 800448) through ICMA Retirement Corporation, to define the term "spouse" as the participant's lawful spouse as determined under the laws of the jurisdiction in which the participant was married and hereby amends the Declaration of Trust and Retiree Welfare Benefits documents, as applicable, to include the federal recognition of same-sex spouses. The plan allows same-sex spouses to receive tax-free reimbursement for all same-sex marriages that are valid as of September 16, 2013.

INTRODUCED, READ, PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 27th DAY OF APRIL, 2015.



Mayor Bill Garnos

ATTEST:



Ruth E. Bocchino, City Clerk



General Administration
Human Resources Division

TO: Kirk Davis, City Manager
Randall Thompson, City Counselor

FROM: Charlene Leslie, HR Administrator

DATE: April 20, 2015

SUBJECT: Amendment to the City of Gladstone Retirement Health Savings
(RHS) Plan Adoption Agreement

In 2012, the City began offering a healthcare savings program managed through ICMA Retirement Corporation (ICMA-RC). The adoption of this tax-advantaged investment program, the Mandatory Retirement Savings Plan (RHS), assists employees with the ability to accumulate assets to pay for eligible medical expenses at retirement on a tax-free basis. All earnings grow tax-deferred and withdrawals may be used to pay for qualified medical benefits for participants, their spouses and/or dependents tax-free.

While our RHS plan vendor, ICMA-RC, has been operating in accordance with the changes to the Defense of Marriage Act (DOMA) since 2013, it is recommended that we formally amend our RHS to reflect the federal recognition of marriages between same-sex spouses. For federal tax purposes, same-sex spouses must receive the same treatment as spouses of the opposite sex with respect to survivor benefits and eligible expense reimbursements. Formal action by Council is required to amend our RHS plan. Attached please find, for your consideration, a resolution authorizing the City Manager to amend the RHS Plan specific to the definition of spouse. Thank you.

C: Leadership Team

**VANTAGECARE RETIREMENT HEALTH SAVINGS PLAN AMENDMENT
DEFINITION OF SPOUSE**

**FOR THE CITY OF GLADSTONE, MISSOURI
CITY OF GLADSTONE RHS**

Plan Number: 800448

The City of Gladstone, as Plan Sponsor, hereby amends its VantageCare Retirement Health Savings Plan by adopting the following revisions to the Plan documents.

DECLARATION OF TRUST OF CITY OF GLADSTONE INTEGRAL PART TRUST

**ARTICLE 1.1 (h)
DEFINITION OF SPOUSE**

1.1.(h) "Spouse" means the Participant's lawful spouse as determined under the laws of the jurisdiction in which the Participant was married.

CITY OF GLADSTONE RETIREE WELFARE BENEFITS PLAN

**ARTICLE 2.11
DEFINITION OF "SPOUSE"**

2.11 "Spouse" means the Participant's lawful spouse as determined under the laws of the jurisdiction in which the Participant was married. All other defined terms in this Plan shall have the meanings specified in the various Articles of the Plan in which they appear.