



Legislation Text

File #: 24-2086, **Version:** 1

To: Board of Supervisors

From: Ann Elliott, Human Resources Director

Report Title: Contract Amendment with Empower Trust Company, LLC for the Maintenance of Trust in Connection with the 457 Deferred Compensation Plan

Recommendation of the County Administrator Recommendation of Board Committee

RECOMMENDATIONS:

APPROVE and AUTHORIZE the Director of Human Resources, or designee, to execute a contract amendment with Empower Trust Company, LLC f/k/a Great-West Trust Company (“Empower Trust”), to extend the term through December 31, 2024, with no changes to the payment limit, for maintaining a trust for assets for the 457 Deferred Compensation Plan.

FISCAL IMPACT:

The contract is funded by fees charged to participant 457 Deferred Compensation Plan accounts. There is no fiscal impact beyond overhead administrative support costs, which are offset through the Contra Costa County Deferred Compensation Plan (I.R.C. § 457).

BACKGROUND:

Since July 2019, Contra Costa County has been a party to a trust agreement with Empower Trust. Under the trust agreement, Empower Trust maintains a trust in connection with the County’s Deferred Compensation Plan, which includes Plan contributions and assets. Empower Trust serves as the trustee and, in this capacity, manages and invests the trust fund for the exclusive benefit of Plan participants and their beneficiaries. The trust agreement sets forth the general duties and powers of Empower Trust, including but not limited to, receiving contributions, administering the exclusive benefit trust fund, making payments from the trust, and transferring and accepting property for eligible rollovers. The current trust agreement will expire on July 31, 2024.

A Request for Proposal (RFP) for a deferred compensation recordkeeper was distributed in April 2024. Evaluations of the RFP are currently underway to determine finalists and schedule their interviews. Once finalist interviews have been completed, the 457 Deferred Compensation Committee will provide a recommendation for the County’s 457 Deferred Compensation Plan recordkeeper. This process will also impact the trustee for the trust maintained in connection with the Deferred Compensation Plan, resulting in a different trust agreement to be approved by the Board of Supervisors. This process will not be completed before the current trust agreement expiration date of July 31, 2024. Therefore, the term of this agreement needs to be

extended through December 31, 2024, to provide sufficient time for the RFP evaluation process to be completed.

CONSEQUENCE OF NEGATIVE ACTION:

The County's trust agreement with Empower Trust will expire. Without a contract amendment, many of the favorable terms and conditions of the current trust agreement will be lost.