



Napa County

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Legislation Text

File #: 21-1344, Version: 1

TO: Board of Supervisors
FROM: Thomas Zeleny - Interim County Counsel
REPORT BY: Susan Altman - Deputy County Counsel
SUBJECT: Amendment 2 of Agreement no. 180190B with Empower Retirement (Formerly Mass Mutual)

RECOMMENDATION

County Counsel and Auditor-Controller request approval of and authorization for the Chair to sign Amendment No. 2 to Agreement No. 180190B with Empower Retirement (formerly Mass Mutual), effective January 1, 2022, assigning the Agreement to Empower, extending the term of the Agreement for an additional five years and reducing Empower's annual fee to eight basis points (0.08%) for the Napa County 401(a) Retirement Saving's Plan and the Napa County 457(b) Deferred Compensation Plan.

EXECUTIVE SUMMARY

In January of 2021, Empower acquired Mass Mutual. This second amendment would assign the County's current Agreement with Mass Mutual to Empower, extend the term of the Agreement for an additional five years, and reduce Empower's annual fee from twelve basis points (0.12%) to eight basis points (0.08%) for Napa County's 401(a) Retirement Savings Plan and Napa County's 457(b) Plan while the fee for the Part-time, Extra Help, Seasonal and Temporary (PST) Deferred Compensation Plan will remain at one hundred twenty-five basis points (1.25%). This reduction will result in a total annual savings of about \$50,000. On September 16, 2021, the terms of the proposed amendment were brought before the Deferred Compensation Board. The Deferred Compensation Board moved to recommend the amendment to the Board of Supervisors.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No
County Strategic Plan pillar addressed: Effective and Open Government

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

On December 5, 2017, Napa County entered into Agreement No. 180190B with Mass Mutual for record keeping services for the County's 457(b), 401(a) and PST deferred compensation and retirement savings plans. The effective date of the Agreement was February 15, 2018. On April 24, 2018, the Agreement was amended to reflect the correct participant default investment option and include the asset charge for the PST plan.

In January of 2021, Empower acquired the Retirement Division of Mass Mutual. This proposed amendment would assign the County's current Agreement with Mass Mutual to Empower. This proposed amendment would extend the terms of the Agreement an additional five years. In exchange for the extension of the Agreement's term, Empower's rate would be lowered to eight basis points (0.08%) for Napa County's 401(a) Retirement Savings Plan and Napa 457(b)s Plan. The fee for the PST will remain at one hundred twenty-five basis points (1.25%). This will create a total annual savings of around \$50,000. The Deferred Compensation Board recommended these changes and recommended a second amendment be brought before the Board of Supervisors. The reduction in rate is beneficial to all Deferred Compensation Plan participants.