

## **RESOLUTION #2012-08 IRS SECTION 415 ELECTIONS**

December 20, 2012

**WHEREAS**, Utah Code Ann. §49-11-203 requires that the Board administer the systems according to law and grants the Board the right to take action to carry out the purposes of providing benefits under Title 49; and

**WHEREAS**, Section 415 of the Internal Revenue Code and associated federal guidance in part governs the distribution of retirement benefits and allows pension plans to make certain elections regarding how retirement benefits will be paid; and

**WHEREAS**, the Board desires to make appropriate elections in order to clarify URS' compliance with federal law and to maximize benefits pursuant to Utah Code Ann. §49-11-103(2).

### **NOW, THEREFORE, BE IT RESOLVED THAT:**

1. The annual benefit to which any retiree may be entitled shall not exceed the Section 415(b) limitations.
2. Under no circumstances shall a retiree receive a distribution that is in excess of the Section 415(b) limitations for any Limitations Year. ("Limitation Year" shall mean a calendar year.)
3. With respect to benefits that were accrued or payable as of December 31, 2008, pursuant to plan provisions that were both adopted and in effect before April 5, 2007, the amounts payable in any Limitation Year shall not exceed the limits in effect on April 4, 2007, as provided by Section 415, applicable regulations and published guidance, in accordance with Section 1.415(a)-1(g)(4) of the Treasury regulations.
4. Pursuant to the exception for certain automatic benefit increase features under Section 1.415(b)-1(c)(5) of the Treasury regulations, an individual's benefit under the Plan shall not be adjusted to take into account the present value of the expected cost-of-living adjustments under Title 49 of the Utah Code Annotated to the extent that such a benefit is eligible for the exception in Section 1.415(b)-1(c)(5). In the event that a benefit is paid in more than one distribution form, the exception in Section 1.415(b)-1(c)(5) shall be applied separately to each distribution form.
5. For purposes of testing compliance with the Section 415(b) limitations, the dollar limitation described in Section 415(b)(1)(A) of the Code shall be automatically adjusted to reflect each annual increase under Section 415(d) of the Code. Each such adjustment shall also apply to the remaining payments payable to retirees who have already commenced payment of benefits pursuant to Section 1.415(d)-1(a)(4) and the safe harbor at Section 1.415(d)-1(a)(5) of the Treasury regulations.