

THE NAVAJO NATION
LEGISLATIVE BRANCH
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: _0069-21__

SPONSOR: Jamie Henio

TITLE: An Action Relating to the Budget and Finance Committee; Approving and Adopting an Amendment and Restatement of the Navajo Nation 401(k) Savings Plan to Amend the Plan's Automatic Contribution, Automatic Enrollment Arrangement, and Hardship Provisions

Date posted: April 7, 2021 at 4:35PM

Digital comments may be e-mailed to comments@navajo-nsn.gov

Written comments may be mailed to:

Executive Director
Office of Legislative Services
P.O. Box 3390
Window Rock, AZ 86515
(928) 871-7586

Comments may be made in the form of chapter resolutions, letters, position papers, etc. Please include your name, position title, address for written comments; a valid e-mail address is required. Anonymous comments will not be included in the Legislation packet.

Please note: This digital copy is being provided for the benefit of the Navajo Nation chapters and public use. Any political use is prohibited. All written comments received become the property of the Navajo Nation and will be forwarded to the assigned Navajo Nation Council standing committee(s) and/or the Navajo Nation Council for review. Any tampering with public records are punishable by Navajo Nation law pursuant to 17 N.N.C. §374 *et. seq.*

LEGISLATIVE SUMMARY SHEET

Tracking No. 0069-21

DATE: March 31, 2021

TITLE OF RESOLUTION: AN ACTION RELATING TO THE BUDGET AND FINANCE COMMITTEE; APPROVING AND ADOPTING AN AMENDMENT AND RESTATEMENT OF THE NAVAJO NATION 401(k) SAVINGS PLAN TO AMEND THE PLAN'S AUTOMATIC CONTRIBUTION, AUTOMATIC ENROLLMENT ARRANGEMENT, AND HARDSHIP PROVISIONS

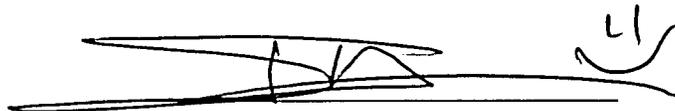
PURPOSE: The purpose of this resolution is to approve amendments to the Navajo Nation 401(k) Savings Plan.

This written summary does not address recommended amendments as may be provided by the standing committees. The Office of Legislative Counsel requests each Council Delegate to review each proposed resolution in detail.

5-DAY BILL HOLD PERIOD: 13/2/2021
Website Posting Time/Date: _____
Posting End Date: April 12, 2021
Eligible for Action: April 13, 2021

1 PROPOSED STANDING COMMITTEE RESOLUTION
2 24th NAVAJO NATION COUNCIL – Third Year, 2021

3
4 INTRODUCED BY

5 
6

7 (Prime Sponsor)

8
9 TRACKING NO. 0069-21

10
11 AN ACTION

12 RELATING TO THE BUDGET AND FINANCE COMMITTEE; APPROVING AND
13 ADOPTING AN AMENDMENT AND RESTATEMENT OF THE NAVAJO NATION
14 401(k) SAVINGS PLAN TO AMEND THE PLAN'S AUTOMATIC CONTRIBUTION,
15 AUTOMATIC ENROLLMENT ARRANGEMENT, AND HARDSHIP PROVISIONS

16
17 BE IT ENACTED:

18 SECTION ONE. AUTHORITY

- 19 A. The Budget and Finance Committee is empowered to coordinate and review all fiscal,
20 financial, and investment activities of the Navajo Nation. 12 N.N.C. §301(B)(5).
21 B. The Budget and Finance Committee is empowered to promulgate policies and regulations
22 concerning fringe benefits of Navajo Nation officials and employees. 2 N.N.C. §
23 301(B)(8).
24

25 SECTION TWO. FINDINGS

- 26 A. The Budget and Finance Committee approved the Navajo Nation Retirement Savings
27 Plan, effective October 1, 1984, by approving the revised Retirement Plan for
28 Employees of the Navajo Tribe and Certain Tribal Affiliates and incorporating into
29 the Retirement Plan an employer-matched 401(k) Savings Plan through Resolution
30 BFJN-71-86.

- 1 B. The Budget and Finance Committee amended and restated the Navajo Nation 401(k)
2 Savings Plan (the “401(k) Savings Plan”) through Resolutions BFJN-65-02 and
3 BFD-49-10.
- 4 C. The Plan document authorizes the Employer to modify, alter, or amend the 401(k)
5 Savings Plan, pursuant to section 16.1.
- 6 D. Pursuant to the authority delegated under Section 16.1 of the 401(k) Savings Plan, the
7 Chair of the Budget and Finance Committee on October 27, 2018, certified the
8 Approval and Ratification of the amended and restated Plan effective November 10,
9 2020 as approved and adopted by RSPAC-03-20.
- 10 E. Pursuant to the authority delegated under Section 16.1 of the 401(k) Savings Plan, the
11 Chair of the Budget and Finance Committee on October 27, 2018, certified the
12 Approval and Ratification of the amended and restated Plan effective January 1,
13 2016, as approved and adopted by RSPAC-01-16.
- 14 F. The amendments recommended to the 401(k) Savings Plan are as follows:
- 15 1. Section 3.1, to allow for automatic enrollment of all Eligible Employees in the
16 401(k) Savings Plan, unless they make a contrary election, to be effective
17 October 1, 2021,
- 18 2. Section 3.2, to provide for Automatic Escalation of Participants’ Pre-Tax
19 Contributions by automatically increasing a Participant’s Pre-Tax
20 Contribution by 1% each year, until the contribution reaches 6% of
21 compensation or until the Participant opts out of auto-escalation, to be
22 effective October 1, 2021,
- 23 3. Section 4.1, to increase Automatic Employee Contributions from 2% to 3% of
24 employee compensation, to be effective October 1, 2021, and
- 25 4. Section 10.1, to implement a number of mandatory and optional changes with
26 respect to hardships, to be effective October 1, 2021.
- 27 G. The Retirement Savings Plan Administration Committee (“RSPAC”), in concurrence
28 with the Department of Retirement Services, recommends the Budget and Finance
29 Committee approve the amendments as described in Paragraph F above, and in
30 Resolution RSPAC-02-20, “Approving and Recommending to the Budget and

1 Finance Committee of the Navajo Nation Council the Approval and Adoption of the
2 Amendment and Restatement of the Navajo Nation 401(k) Savings Plan to Amend
3 the Plan's Automatic Contribution Arrangement and Hardship Provisions," attached
4 as **Exhibit A**.

5 H. The proposed amendment and restatement of the 401(k) Savings Plan is attached as
6 **Exhibit B**. An unmarked "clean" copy is attached as **Exhibit C**.

7
8 **SECTION THREE. APPROVAL OF AMENDMENT AND RESTATEMENT OF**
9 **THE NAVAJO NATION 401(K) SAVINGS PLAN**

10 The Budget and Finance Committee accepts the recommendation of RSPAC in **Exhibit A**, and
11 approves and adopts the amendment and restatement to the Navajo Nation 401(k) Savings
12 Plan, in accordance with **Exhibit B**.

13
14 **SECTION FOUR. EFFECTIVE DATE**

15 The amendment and restatement to the Navajo Nation 401(k) Savings Plan shall be
16 effective as of the date of adoption, except where otherwise indicated in **Exhibit B**.