LEGISLATION NO: _0073-21__  SPONSOR: Jamie Henio

TITLE: An Action Relating to Budget and Finance Committee; Approving an Amendment and Restatement of the Retirement Plan for Employees of the Navajo Nation and Participating Affiliates to Implement Provisions of an Enhanced Retirement Program, Effective April 1, 2021

Date posted: __April 9, 2021 at 5:34PM__

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DATE: April 7, 2021

TITLE OF RESOLUTION: RELATING TO BUDGET AND FINANCE COMMITTEE; APPROVING AN AMENDMENT AND RESTATEMENT OF THE RETIREMENT PLAN FOR EMPLOYEES OF THE NAVAJO NATION AND PARTICIPATING AFFILIATES TO IMPLEMENT PROVISIONS OF AN ENHANCED RETIREMENT PROGRAM, EFFECTIVE APRIL 1, 2021

PURPOSE: The purpose of this resolution is to approve amendments to the Navajo Nation Retirement 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.
PROPOSED STANDING COMMITTEE RESOLUTION

24th NAVAJO NATION COUNCIL—THIRD YEAR, 2020

INTRODUCED BY

Primary Sponsor

TRACKING NO. 0075-21

RELATING TO BUDGET AND FINANCE COMMITTEE; APPROVING
AN AMENDMENT AND RESTATEMENT OF THE RETIREMENT PLAN
FOR EMPLOYEES OF THE NAVAJO NATION AND PARTICIPATING
AFFILIATES TO IMPLEMENT PROVISIONS OF AN ENHANCED
RETIREMENT PROGRAM, EFFECTIVE APRIL 1, 2021

SECTION ONE. AUTHORITY

A. The Navajo Nation Council created and implemented a comprehensive retirement plan for the benefit of Tribal employees and authorized the Chairman of the Navajo Tribal Council with the approval of the Budget and Finance Committee of the Navajo Nation Council to develop, implement and administer the plan, through Navajo Tribal Council Resolution CF-21-73.

B. The Budget and Finance Committee of the Navajo Nation Council ("the Budget and Finance Committee") is empowered to promulgate policies and regulations concerning the fringe benefits for Navajo Nation officials and employees and to conduct oversight of the functions of the Retirement Services Department, pursuant to 2 N.N.C. §§ 301(B)(8) and (13).

SECTION TWO. FINDINGS

A. The Budget and Finance Committee, under the authority delegated in CF-21-73, initially adopted the Retirement Plan for Employees of the Navajo Tribe and
Certain Tribal Affiliates (the "Retirement Plan") effective July 1, 1973, through BFMY-41-73.


C. The Navajo Nation, as the Employer under the Retirement Plan, has the right to amend the Retirement Plan from time to time to any extent that it deems advisable, pursuant to Section 13.01 of the Retirement Plan.

D. At the direction of the Navajo Nation President, the Navajo Department of Retirement Services ("NDRS") worked with actuarial consultant Willis Towers Watson to prepare reports presenting several plan design alternatives for an enhanced retirement program in response to risks posed to employees by COVID-19. Several meetings were convened to discuss and update the plan designs, involving the Office of the President and Vice President, NDRS, Navajo Division of Human Resources, the Employee Benefits Program of the Navajo Nation Insurance Services Department, and the Navajo Department of Justice. Following discussions, the plan design alternatives were updated and four alternatives were presented to the Retirement Plan Administration Committee for consideration.

E. The Retirement Plan Administration Committee chose an alternative, offering an additional three years of Benefit Service to eligible regular status employee Plan Participants aged sixty and above with at least ten years of Vesting Service who elect to retire under the Enhanced Retirement Plan. The Retirement Plan Administration Committee approved and recommended to the Budget and Finance Committee the adoption and approval of a Restated Plan Document incorporating this change for the Retirement Plan for Employees of the Navajo Nation and Participating Affiliates, through RPAC-01-21, attached as Exhibit 1.
F. Attached as Exhibit 2 is an underscore-strikeout version of the current Retirement Plan document effective April 1, 2019, indicating insertion of new language by underscore and deletion of old language by overstrike. For reference, a “clean” unmarked version of the Amended and Restated Retirement Plan for Employees of the Navajo Nation and Participating Affiliates is attached as Exhibit 3.

G. The Navajo Nation Department of Retirement Services recommends that the Amended and Restated Plan become effective April 1, 2021 in order to give the Department time to provide notice of the changes to Plan Participants and to implement the changes.

H. The Budget and Finance Committee approves the Amended and Restated Retirement Plan for Employees of the Navajo Nation and Participating Affiliates, Effective April 1, 2021, attached as Exhibit 2.

SECTION THREE. APPROVAL

The Budget and Finance Committee hereby approves and adopts the Amended and Restated Retirement Plan for Employees of the Navajo Nation and Participating Affiliates, Effective April 1, 2021, attached as Exhibit 2.

SECTION FOUR. EFFECTIVE DATE

The Amended and Restated Retirement Plan for Employees of the Navajo Nation and Participating Affiliates, attached as Exhibit 2, is effective as of April 1, 2021.