

THE NAVAJO NATION  
LEGISLATIVE BRANCH  
INTERNET PUBLIC REVIEW PUBLICATION



LEGISLATION NO: \_0069-22\_

SPONSOR: Jamie Henio

**TITLE: An Act Relating to the Budget and Finance Committee; Approving the Selection of a Successor Deposit Sweep Account for the Navajo Nation's Deferred Compensation Plan for Political Appointees and Council Delegates**

*Date posted:* March 31, 2022 at 9:55 AM

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**SUMMARY OF PROPOSED LEGISLATION**

TrackingNo. 0069-22

Date: March 29, 2022

**Re: AN ACT RELATING TO THE BUDGET AND FINANCE COMMITTEE;  
APPROVING THE SELECTION OF A SUCCESSOR DEPOSIT SWEEP  
ACCOUNT FOR THE NAVAJO NATION'S DEFERRED COMPENSATION  
PLAN FOR POLITICAL APPOINTEES AND COUNCIL DELEGATES**

Purpose of this Legislation:

to approve the selection of the Principal Financial Group's Deposit Sweep Account as a new sweep vehicle for the Navajo Nation's 2019 Deferred Compensation Plan for political appointees and Council Delegates (replacing Wells Fargo Bank).

OLC No. 22-015-1

5-DAY BILL HOLD PERIOD: Johnson

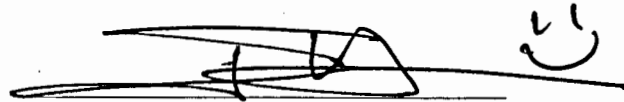
Website Posting Time/Date: \_\_\_\_\_

Posting End Date: 04-05-22

Eligible for Action: 04-06-22

1 PROPOSED STANDING COMMITTEE RESOLUTION  
2 24<sup>th</sup> NAVAJO NATION COUNCIL - Fourth Year, 2022

3 Introduced by:

4  5

6 (Prime Sponsor)

7  
8 Tracking No. 0069-22

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10 AN ACT  
11 RELATING TO THE BUDGET AND FINANCE COMMITTEE;  
12 APPROVING THE SELECTION OF A SUCCESSOR DEPOSIT SWEEP  
13 ACCOUNT FOR THE NAVAJO NATION'S DEFERRED COMPENSATION  
14 PLAN FOR POLITICAL APPOINTEES AND COUNCIL DELEGATES

15  
16 BE IT ENACTED:

17  
18 SECTION ONE. AUTHORITY

19 A. The Budget and Finance Committee ("BFC") was established as a standing committee of  
20 the Navajo Nation Council and is empowered to promulgate policies and regulations  
21 regarding wages, expenditure reimbursements, and fringe benefits for Navajo Nation  
22 officials and employees. 2 N.N.C. §300(A); 2 N.N.C. §301(B)(8).

23 B. The BFC has oversight authority over the Retirement Services Department, as well as all  
24 Navajo Nation departments, committees, commissions, and other entities with control over  
25 Navajo Nation fiscal matters. 2 N.N.C. §301(B)(9); 2 N.N.C. §301(B)(13).

26 C. In Resolution No. CF-21-73 the Navajo Tribal Council established a comprehensive deferred  
27 compensation plan for elected and appointed Navajo tribal officials. CF-21-73 also  
28 authorized the Chairman of the Navajo Tribal Council to develop, implement, and administer  
29 the deferred compensation plan, with the approval of the BFC.

30 D. According to Section 5.1 of the established Deferred Compensation Plan, in its sole

1 discretion the Navajo Nation may at any time revise the provisions of the Plan, in whole or  
2 in part.

3  
4 **SECTION TWO. FINDINGS**

5 A. Pursuant to the authority delegated to the Committee by the Council in CF-21-73, and  
6 pursuant to BFMY-41-73, the BFC initially adopted the “Deferred Compensation Plan for  
7 Certain Employees of the Navajo Tribe effective January 1, 1973.”

8 B. Pursuant to BFAU-160-82 and CD-87-82, the BFC and the Council adopted the “Deferred  
9 Retirement Plan for the Council Members of the Navajo Tribe effective October 1, 1982.”  
10 This 1982 Plan separated the Navajo Nation’s Deferred Retirement Plan from its Deferred  
11 Compensation Plan.

12 C. Pursuant to BFMA-09-08, the BFC and the Council adopted the “Deferred Compensation  
13 Plan for Political Appointees and Council Delegates of the Navajo Nation, Amended and  
14 Restated as of January 1, 2006.” This 2006 Plan merged the “Deferred Compensation Plan  
15 for Certain Employees of the Navajo Tribe effective January 1, 1973” with the “Deferred  
16 Retirement Plan for the Council Members of the Navajo Tribe effective October 1, 1982.”

17 D. Pursuant to BFJY-15-19, the BFC adopted the “Amended and Restated Deferred  
18 Compensation Plan for Political Appointees and Council Delegates of the Navajo Nation  
19 effective April 1, 2019” (hereinafter, the “2019 Plan”). Per Article 4.1 of the 2019 Plan, the  
20 Navajo Nation shall establish a Fund to serve as a depository for financial contributions by  
21 the Navajo Nation for deferred compensation benefits.

22 E. Article 4.1 of the 2019 Plan also gives the BFC the authority to designate a successor  
23 financial institution to act as the custodian of the depository Fund, provided that the Navajo  
24 Nation delivers a valid and certified Resolution to the custodian bank being replaced.

25 F. The current Fund custodian, Wells Fargo Bank, has informed the Navajo Nation that a new  
26 sweep vehicle for the depository Fund for financial contributions, must be selected at this  
27 time, because the Navajo Nation has moved its Plan business from Wells Fargo Bank to the  
28 Principal Financial Group.

29 G. The Navajo Nation’s Investment Committee has approved, and thus recommends to the  
30 BFC, the Navajo Nation’s selection of the Principal Financial Group’s Deposit Sweep

1 Account. Resolution No. NNICOC-02-21, attached hereto as **EXHIBIT 1**.

2 H. The 2019 Plan Administration Committee has approved, and thus recommends to the BFC,  
3 the Navajo Nation's selection of the Principal Financial Group's Deposit Sweep Account.  
4 Resolution No. DCPAC-07-21, attached hereto as **EXHIBIT 2**.

5 I. Pursuant to its authority under 2 N.N.C. §301(B)(8), 2 N.N.C. §301(B)(13), Resolution No.  
6 CF-21-73, and Section 4.1 of the 2019 Plan, the BFC finds it in the best interest of the Navajo  
7 Nation to select the Principal Financial Group's Deposit Sweep Account as a new sweep  
8 vehicle for the Navajo Nation's 2019 Deferred Compensation Plan.

9  
10 **SECTION THREE. APPROVAL OF SUCCESSOR DEPOSIT SWEEP ACCOUNT**

11 A. The Budget and Finance Committee of the Navajo Nation Council hereby approves the  
12 selection of the Principal Financial Group's Deposit Sweep Account as a new sweep vehicle  
13 for the Navajo Nation's 2019 Deferred Compensation Plan.

14 B. The Budget and Finance Committee hereby directs the Navajo Nation's Department of  
15 Retirement Services to implement the change approved herein by promptly delivering all  
16 necessary and appropriate documents to the Principal Financial Group.

17  
18 **SECTION FOUR. EFFECTIVE DATE**

19 This Act shall become effective pursuant to 2 N.N.C. §300(A), 2 N.N.C. §301(B)(8), and 2  
20 N.N.C. §189(A).

21  
22 **SECTION FIVE. SAVING CLAUSE**

23 If any portion of this Act is determined invalid by the Navajo Nation Supreme Court, or by a  
24 District Court of the Navajo Nation without appeal to the Navajo Nation Supreme Court, the  
25 remainder of this Act shall be the law of the Navajo Nation.