Orange County Fire Authority

AGENDA STAFF REPORT

Board of Directors Meeting | **Agenda Item No. 2B**
October 22, 2026 | **Consent Calendar**

Termination of the Extra Help Retirement Plan

Contact(s) for Further Information

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Summary

This agenda item is submitted for the approval to close and terminate the Authority Extra Help Retirement Plan. The Orange County Fire Authority administers a single employer, defined benefit pension plan that provides retirement benefits for part-time and extra help employees hired prior to July 1, 2018. The account no longer manages any participant assets and the balance of the plan is zero. Eligible Extra Help employees hired after July 1, 2018 are now enrolled in the Nationwide OBRA (Omnibus Budget Reconciliation Act) Plan.

Prior Board/Committee Action

November 21, 1996: The Board of Directors (BOD) approved the original staff report from the Director of Finance, Administration, and HR to establish the Extra Help Retirement Plan.

October 3, 2016: The Human Resources Committee (HRC) discussed retirement savings options and took no reportable action.

January 26, 2017: The BOD directed staff to enroll Board Members in the 457 (OBRA) mandatory retirement savings plan.

August 4, 2026: The Human Resources Committee reviewed the proposed agenda item and directed staff to place on the Board of Directors agenda by a 7-0 vote.

RECOMMENDED ACTION(S)

Review and approve the proposed action to close and terminate the Authority's Extra Help Retirement Plan effective immediately.

Impact to Cities/County

Not applicable.

Fiscal Impact
Not applicable.

Background
The Extra Help Retirement Plan was originally established in 1996 to provide a retirement vehicle for temporary and non-regular employees. Under the plan documents, the Board of Directors maintains the authority to implement changes or terminate the plan.

Transition to 457 (OBRA)
In 2017, following legal counsel's opinion that Board Members met the IRS criteria to be classified as employees rather than independent contractors, the OCFA was required to provide them with a mandatory retirement savings plan. At that time, the Board selected the 457 (OBRA) deferred compensation plan due to its low administrative complexity and the ability for members to receive benefits without penalty upon separation.

Final Plan Liquidation
In coordination with staff, the following steps have been taken to prepare the 1996 plan for closure:

- **Small Balance Distributions:** Accounts with balances less than $3,500 have been cashed out in accordance with plan provisions.
- **Participant Migration:** All final remaining participants have been moved into the Nationwide 457 plan.
- **Current Status:** As of this report, the legacy plan holds **zero funds** and has **no active participants**.

Staff successfully integrated these employees into the existing OCFA agreement with Nationwide. Consequently, the legacy Extra Help Retirement Plan was closed to new participants on July 1, 2018. Since then, all eligible extra-help employees hired by OCFA have been enrolled directly into the Nationwide 457 (OBRA) plan.

Closing the plan effective immediately represents the final administrative step in consolidating OCFA's retirement savings options for extra-help staff.

Attachment(s)
None.