

GOVERNMENT OF THE DISTRICT OF COLUMBIA
D.C. Department of Human Resources

District Personnel Manual Issuance System

E-DPM Instruction No. 26C-8

This instruction may be accessed electronically at www.dchr.dc.gov, by clicking on the "District Personnel Manual" link; and the "Issuances" link for Chapter(s) **26C**

SUBJECT: Changes to the Vesting Provisions of the District Government's Defined Contribution Plan (401(a) Plan)

Date: January 12, 2010

The purpose of this Electronic-District Personnel Manual (e-DPM) instruction is to inform District government employees of an important change to the vesting provisions of the District government's Defined Contribution Plan ("401(a) Plan") for individuals first employed by the District government after **September 30, 1987**.

Graduated Vesting Schedule

D.C. Law 18-82, the Pension Vesting Amendment Act of 2009 (Act), effective December 8, 2009, amends the five-year (5-year) vesting requirement provisions contained in D.C. Official Code § 1-626.10 to establish a graduated vesting requirement.

Previously, employees became fully vested (earned the right to their entire 401(a) Plan account) after completing five (5) years of creditable service. **The new vesting schedule provides graded vesting benefits after two (2) years of creditable service instead of five (5).**

The District government's contributions to the 401(a) Plan and the earnings on the District government's contribution for each employee will vest when the employee dies or becomes entitled to disability benefits under the Social Security Act, or in accordance with the following vesting schedule:

<i>Years of Creditable Service</i>	<i>Vested Percentage</i>
Less than 2	0%
2	20%
3	40%
4	60%
5 or more	100%

Note: E-DPM instructions that are strictly procedural in nature have direct applicability only to agencies and employees under the personnel authority of the Mayor. Other personnel authorities or independent agencies may adopt any or all of these procedures or guidance materials for agencies and employee under their respective jurisdictions.

Inquiries: Benefits and Retirement Administration, DCHR (202) 442-9700

Distribution: Heads of Department and Agencies, HR Advisors, and DPM Subscribers

Retain Until Superseded

Forfeiture of Interest in the Benefits in the 401(a) Plan

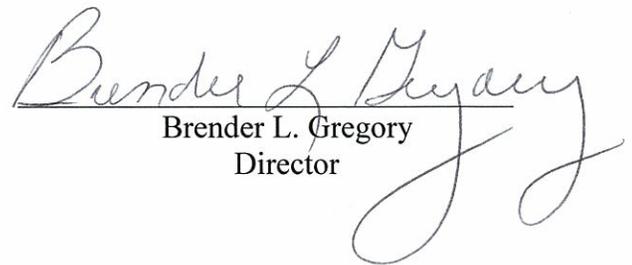
A covered employee's interest in the benefits in the 401(a) Plan that has not vested in accordance with the above vesting schedule will be forfeited (lost) after separation from employment.

Applicability

The vesting schedule above does not impact (apply) employees who, as of the effective date of the Act, had completed five (5) years of creditable service and are already 100% vested.

Additional Information

Additional information on this change may be obtained by calling an ING representative, or at the Plan's website at: <http://dc401a.ingplans.com>.


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Director