DISCUSSION SHEET

Employees' Retirement Fund
Board of Trustees Meeting

September 13, 2016

Issue: IRS Determination Letter Update

Attachment: IRS Determination Letter

Discussion: Dallas ERF applied for its determination letter from the Internal Revenue Service in November 2015. IRS issued a favorable opinion letter on August 15, 2016.

A favorable determination letter:

- is issued by the IRS in response to a request by a plan sponsor as to the qualified status of its retirement plan under IRC Section 401(a);
- expresses the IRS's opinion regarding the form of the plan;
- is issued based on the applicable Cumulative List at the time the application is received; and
- applies only to the employer and the plan participants on whose behalf the determination letter was issued.

A favorable determination letter provides the employer with reliance that:

- the plan is qualified under IRC Section 401(a); and
- the plan's trust is exempt under IRC Section 501(a).

Benefits of a favorable letter

The benefits of having a qualified retirement plan and operating the plan according to its terms as approved by the IRS are:

- the employer can deduct contributions made to the plan up to the applicable limits;
- the plan participants can defer income taxes on the amounts contributed to the plan (other than Roth contributions); and
- contributions grow tax-deferred until distributed from the plan.

Recommendation: No action required

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: AUG 15 2016

CITY OF DALLAS
C/O A D GUS FIELDS
2801 NETWORK BLVD STE 600
FRISCO, TX 75034

Employer Identification Number:
75-1094769
DLN:
17007316054005
Person to Contact:
JOSEPH A CHICK ID# 31365
Contact Telephone Number:
(513) 263-4582
Plan Name:
EMPLOYEES REIREMENT FUND OF THE CITY OF DALLAS
Plan Number: 003

Dear Applicant:

Based on the information you provided, we are issuing this favorable determination letter for your plan listed above. However, our favorable determination only applies to the status of your plan under the Internal Revenue Code and is not a determination on the effect of other federal or local statutes. To use this letter as proof of the plan's status, you must keep this letter, the application forms, and all correspondence with us about your application.

Your determination letter does not apply to any qualification changes that become effective, any guidance issued, or any statutes enacted after the dates specified in the Cumulative List of Changes in Plan Requirements (the Cumulative List) for the cycle you submitted your application under, unless the new item was identified in the Cumulative List.

Your plan's continued qualification in its present form will depend on its effect in operation (Section 1.401-1(b)(3) of the Income Tax Regulations). We may review the status of the plan in operation periodically.

You can find more information on favorable determination letters in Publication 794, Favorable Determination Letter, including:

The significance and scope of reliance on this letter,
The effect of any elective determination request in your application materials,
The reporting requirements for qualified plans, and
Examples of the effect of a plan's operation on its qualified status.

You can get a copy of Publication 794 by visiting our website at www.irs.gov/formspubs or by calling 1-800-TAX-FORM (1-800-829-3676) to request a copy.

This letter considered the 2014 Cumulative List of Changes in Plan Qualification Requirements.

This determination letter applies to the amendments dated on

CITY OF DALLAS

8/8/12.

This determination letter applies to the plan and related documents you submitted with the application you filed during the remedial amendment cycle ending 2016.

This determination letter expresses no opinion as to the federal tax consequences of the replacement, or proposed replacement, of any joint and survivor, single life or other annuity being paid with a lump sum payment or other accelerated form of distribution.

If you submitted a Form 2848, Power of Attorney and Declaration of Representative, or Form 8821, Tax Information Authorization, with your application and asked us to send your authorized representative or appointee copies of written communications, we will send a copy of this letter to him or her.

If you have any questions, you can contact the person listed at the top of this letter.

Sincerely,

Karen D. Truss

Karen D. Truss
Director, EP Rulings & Agreements