

To: President and Members of the Munster Town Council
From: Wendy Mis, Clerk-Treasurer *W Mis*
Copy to: Dustin Anderson, Town Manager
Date: August 31, 2020
Re: Resolution 2073: Deferred Compensation Plan

For many years the Town has had a deferred compensation plan under Section 457 of the Internal Revenue Code, as amended. The plan is administered through ICMA Retirement Corporation. The program offers a variety of retirement planning and investing tools. The Town contributes to the plan on behalf of firefighters and certain other employees. All employees have the option of participating in the plan.

The most used retirement vehicle is the deferred compensation plan with a smaller number using the Roth IRA option. Both tools have income tax advantages and contribution limits. The Roth IRA has an income limit as well. The law allows a hybrid of these two retirement tools which would give employees greater flexibility in their retirement planning.

Staff has worked with representatives from ICMA-RC about how to offer this hybrid and there are two required steps. First, the governing body must adopt a resolution amending and restating the plan. Secondly, the designated agent must sign a Statement of Intent. The Town Manager is the designated agent currently on file with ICMA-RC.

Resolution 2073 has been drafted to allow these changes, confirms the Town Manager as the designated agent, and authorizes the Town Manger to sign the Statement of Intent.

RECOMMENDED ACTION:

By motion and roll-call vote, adopt Resolution 2073 as presented.