**R: 2017-35**

**RESOLUTION TO AUTHORIZE A PROVIDER OF A DEFERRED COMPENSATION PLAN FOR THE EMPLOYEES OF THE TOWN OF PHILLIPSBURG**

**WHEREAS,** the Town of Phillipsburg (hereinafter referred to as "Employer") desires to continue to attract and retain qualified employees; and

**WHEREAS,** the Town of Phillipsburg wishes to sponsor a Deferred Compensation Plan (hereinafter referred to as "Plan) for its employees, which provides employees the opportunity to enhance their financial security at retirement by deferring a portion of compensation on a tax­ deferred basis as provided by Section 457 of the Internal Revenue Code of 1986, as amended (hereinafter referred to as "Code"); and

**WHEREAS,** participation in the Plan accrues tax benefits to participating employees pursuant to Section 457 of the Code; and

**WHEREAS,** there are no direct financial costs to the Employer to adopt and implement the Plan; and

**WHEREAS,** having a contractor for the Plan which will serve the interests of the Employer by enabling the Employer to provide enhanced retirement security to its eligible employees and provide the employees with a variety of options; and

**WHEREAS,** the Employer solicited written proposals from two or more approved contractors for the administration of the Plan, including the provision of a Prototypical Plan and Service Agreement that meet the requirements of Municipal, County and Authority Employees Deferred Compensation Plans Regulations found at N.J.A.C. 5:37-1 et seq.; and

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**WHEREAS,** the Employer has considered the proposals of prospective contractors including Lincoln Retirement Services, LLC (hereinafter referred to as "Lincoln") and AXA Equitable Life Insurance Company (AXA Equitable), and

**WHEREAS,** the Employer reviewed the proposals submitted, met with representatives of the responding companies and has selected Lincoln as the successful vendor for its Plan

* because of Lincoln's experience in guiding employees to prepare for retirement with confidence;

and

**WHEREAS,** there has been no collusion, or evidence or appearance of collusion between the Town of Phillipsburg and any representative of Lincoln in the selection of a contractor for the administration of a service agreement pursuant to N.J.A.C 5:37-5.7.

**NOW, THEREFORE; BE IT RESOLVED** by the Town Council of, the Town of Phillipsburg that it hereby adopts the Plan provided by Lincoln (92-PD-LINCOLN-121316) and that Stephen R. Ellis, Mayor, is hereby authorized to execute the Service Agreement with Lincoln (92-SA-LINCOLN-121316) and will submit all necessary documents to the Director of the Division of Local Government Services within the State Department of Community Affairs for approval; and

## **BE IT FURTHER RESOLVED,** the Town of Phillipsburg is adopting a Plan substantially similar to a plan for which an application has been filed with the Internal Revenue Service for a Private Letter Ruling that the plan document meets the requirements of Section 457 of the Code, as amended, and that such ruling will be forwarded to the Director when received. The provisions of the plan document are substantially similar to the text of the provisions in the Code Section

457. The use of the Ruling will be for guidance only, and for Internal Revenue Service purposes the ruling of another employer is not to be considered precedent; and

**BE IT FURTHER RESOLVED,** Robert J. Merlo, Certified Municipal Finance Officer or her successor is hereby designated as the Local Plan Administrator for the administration of the Plan.

CERTIFICATION

I, Victoria Kleiner, Municipal Clerk for the Town of Phillipsburg do hereby certify the above to be

a true and exact copy of the resolution adopted by the Municipal Council of the Town of

Phillipsburg at their regular Council meeting held on February 07, 2017.

## Victoria Kleiner, RMC

Municipal Clerk