

RESOLUTION NO. 7-2011-74

AUTHORIZING A DEFERRED COMPENSATION PLAN IN THE BOROUGH OF BARRINGTON

WHEREAS, the Borough of Barrington (the “Employer”) desires to Attract and retain qualified employees to the Employer and, as a means thereof, is contemporaneously adopting an Internal Revenue Code Section 457 Deferred Compensation Plan (hereinafter the “Plan”) for the purpose of making available to eligible employees the accrual of tax benefits under such Plan; and

WHEREAS, the Employer desires such Plan to comply with the Small Business Job Protection Act of 1996 and the Economic Growth and Tax Relief Reconciliation Act of 2001 amendments to Section 457 of the Internal Revenue Code, such amendments being necessary to maintain the Plan as an eligible Deferred Compensation Plan within the meaning of Section 457 of the Internal Revenue Code; and

WHEREAS, the Employer also desires that the Plan provide for certain elections that may be made in accordance with the Small Job Protection Act of 1996 amendments to Section 457 of the Internal Revenue Code; and

WHEREAS, the implementation of the Deferred Compensation Plan will serve all the interests of the Employer by enabling it to provide enhanced retirement security to it's eligible employees; and

WHEREAS, there is no cost to the Employer to adopt and implement said Plan; and

WHEREAS, Metlife has been found to possess the necessary administrative, enrollment, and servicing capabilities for the Plan.

NOW, THEREFORE, BE IT RESOLVED, that the Employer does hereby adopt the Plan prepared by Metlife and assigned Plan Document Identifier **62-PD-metlife-032106** by the Director of the Division of Local Government Services.

BE IT FURTHER RESOLVED, that the Employer is adopting a Deferred Compensation Plan substantially similar to one on which a favorable Private Letter Ruling has been previously obtained from the Internal Revenue Service except for provisions added by reason of the Small Job Protection Act of 1996 (United States Public Law No.104-188) and the Economic Growth and Tax Relief Reconciliation Act of 2001 (United States Public Law No. 107-16); **and 401(a)(9)** of the Internal Revenue Code and all such provisions are stated in the Plan in terms substantially similar to the text of those provisions in Internal Revenue Code 457. The use of the Ruling is for guidance only and the Employer acknowledges that for Internal Revenue Services purposes, the Ruling of another employer is not to be considered precedent.

BE IT FURTHER RESOLVED, that the Plan Administrator, Terry Shannon, Municipal Clerk, shall be designated as the official representative of the Employer, and she is hereby directed to execute the Plan on behalf of the Employer; and

BE IT FURTHER RESOLVED, that the Clerk is hereby authorized to:

- (1) Solicit Proposals: A request for proposals for a Deferred Compensation Plan and Service Agreement was prepared and made available to providers of deferred compensation services.
- (2) Responding Vendors: The vendors responding to the request for proposals were: AIG/Valic and Metlife.
- (3) Selection Rationale: The successful vendor is Metlife. The Employer reviewed all of the proposals submitted and met with representatives of the responding companies. Metlife was selected because Metlife has been found to possess the necessary administrative, enrollment, and servicing capabilities for the Plan. In addition, Metlife has a significant experience record, successfully servicing other Plans throughout the State.

BE IT FURTHER RESOLVED, that Metlife shall be retained by the Employer as the contractor under the Deferred Compensation Plan, and Metlife shall educate all eligible employees of the Employer regarding the Plan and shall enroll and service those eligible employees who participate in the Plan. As enrolling agent, Metlife shall be the exclusive agent for its funding options to be offered under the Plan.

BE IT FURTHER RESOLVED, that there has been no collusion or evidence or appearance of collusion between any local official and a representative of the contractor in the selection of a contractor for the administration of a Service Agreement pursuant to N.J.A.C. 5:37-5.7.

BE IT FURTHER RESOLVED, that the Municipal Clerk is hereby authorized to serve as the Local Plan Administrator for the administration of the Plan and to execute a Service Agreement with Metlife and that such Service Agreement has been assigned by the Director of the Division of Local Government Services the following identifier: **62-SA-metlife-032106** and to submit all necessary documents to the Director of Local Government Services in the State Department of Community Affairs.

BOROUGH OF BARRINGTON

JULY 13, 2011

The foregoing is a true copy of a Resolution adopted by the governing body of the Borough of Barrington on July 13, 2011.

Terry Shannon, Municipal Clerk/RMC