

Minutes of the Work Session
of the Board of Trustees of
the Village of Larchmont, held on
MONDAY, JANUARY 5, 2015.

PRESENT: Mayor Anne H. McAndrews
Deputy Mayor John Komar
Trustee Marlene Kolbert
Trustee Lorraine Walsh
Trustee Peter Fanelli

ABSENT: None

Mayor McAndrews called the work session to order at 7:00 PM.

On motion of Trustee Fanelli, seconded by Trustee Kolbert, seconded by Trustee Komar and unanimously carried, it was:

RESOLVED, to approve the Deferred Compensation Committee Resolution to Amend and Restate the Model Plan.

RESOLUTION
Approve the Deferred
Compensation Committee
Resolution to Amend and
Restate the Model Plan

WHEREAS, the New York State Deferred Compensation Board (the “Board”), pursuant to Section 5 of the New York State Finance Law (“Section 5”) and the Regulations of the New York State Deferred Compensation Board (the “Regulations”), has promulgated the Plan Document of the Deferred Compensation Plan for Employees of the Village of Larchmont (the “Model Plan”) and offers the Model Plan for adoption by local employers;

WHEREAS, the Village of Larchmont, pursuant to Section 5 and the Regulations, has adopted and currently administers the Model Plan known as the Deferred Compensation Plan for Employees of the Village of Larchmont;

WHEREAS, effective August 26, 2011 the Board amended the Model Plan to adopt provisions

- Reorganizing and updating sections to improve the overall readability and eliminate unnecessary numerical references (annual limits) from the Model Plan document.
- Including employer elections within the plan document including: suspension of deferrals following an unforeseeable emergency withdrawal, automatic distributions from small and inactive accounts, loan design parameters and Roth deferrals and in-plan conversions are permissive. The Model Plan document includes a Schedule A where the employer may indicate the election of one or more of these provisions.
- Clarifying the first date a participant may make deferrals in compliance with Code Section 457(b)

and timing requirements for any subsequent changes to deferral rates or allocations between pre-tax and after-tax deferrals

- Clarifying compensation available for deferral for purposes of calculating contributions and recognizes that employers use various methods in determining the order of deductions taken before a deferral percentage is applied.
- Including provisions related to HEART Act of 2008 regarding treatment of differential pay and qualifying distributions for active military service in compliance with the HEART Act, including suspension of deferrals for six months following distribution.
- Making technical recognition of the waiver of RMDs for 2009.
- Clarifying that a beneficiary form must be received in good order to be considered valid.
- Clarifying that the Model Plan will only accept rollovers from Eligible Retirement Plans comprised of pre-tax amounts and amounts may be rolled in by participants, beneficiaries (other than inherited accounts) and alternate payees. Model Plans may roll account balances out to Eligible Retirement Plans that include post-tax amounts if the receiving plan separately accounts for them.
- Clarifying that a beneficiary of a deceased participant may roll a distribution directly to a Roth IRA, in addition to plan participants.
- Including language allowing for future delivery of participant communications through electronic means, where appropriate.
- Codifying that periodic and lump sum payments must be a minimum of \$100 per payment, unless the Committee selects a different minimum, and sets a maximum annual number of partial distributions.
- Clarifying that the \$50,000 loan limit includes the highest loan value in the last twelve months from the Model Plan and other employer plans. Regarding participants who have defaulted on a Plan loan, subsequent loans would not be allowed until defaulted loan is repaid. Removes requirement that a participant must wait until the term of the original loan expires before applying for a new loan, assuming the defaulted loan is repaid.
- Providing guidance on the handling of the receipt of special proceeds such as SEC settlements payable to former participants.
- Allowing a surviving spouse beneficiary to name a beneficiary on their account.

- Including the 5 year option for non-spousal beneficiaries to receive distributions and makes distribution rules consistent for pre-and post-age 70½ deaths.
- Allowing earlier distributions due to severance of employment as long as balance of \$500 remains in the account for 45 days after a severance from employment.
- Providing that outstanding loans from another New York state 457(b) plan may be allowed to be transferred or rolled in with a full account transfer.
- Removing the Power of Attorney Language since the acceptance of a power of attorney is governed by State law and not required in the Model Plan document.
- Clarifying the requirement that Committee actions must be taken at a public meeting in accordance with Article 7 of the Public Officers Law.
- Limiting indemnification to Committee Members only.

WHEREAS, the Board has offered for adoption the amended and restated Model Plan to each Model Plan sponsored by a local employer in accordance with the Regulations; and

WHEREAS, upon due deliberation, the Village of Larchmont has concluded that it is prudent and appropriate to amend the Deferred Compensation Plan for Employees of the Village of Larchmont by adopting the amended Model Plan.

NOW, THEREFORE, BE IT

RESOLVED, that the Village of Larchmont hereby amends the Deferred Compensation Plan for Employees of the Village of Larchmont by adopting the amended Model Plan effective August 26, 2011, including the optional provisions in Schedule A, in the form attached hereto as Exhibit A.