

**THE CITY OF POLSON
RESOLUTION No. 1048**

Resolution to Participate in the State of Montana 457(b) Deferred Compensation Plan
administered by the Montana Public Employee Retirement Administration (MPERA)

The City of Polson on this 4th day of September, 2013, adopts this Resolution to enter into an agreement with the Public Employees' Retirement Board for the voluntary participation by any of the City of Polson's eligible employees in the State of Montana Deferred Compensation (457(b)) Plan.

NOW, THEREFORE, BE IT RESOLVED by the City of Polson ("City"), that the City become a contracting employer for the purposes of section 19-50-201, MCA, and that the City participate in the State of Montana Deferred Compensation (457(b)) Plan ("Montana Deferred Compensation Plan") administered by the Montana Public Employees' Retirement Board ("Board"). The City shall abide by the terms of the Montana Deferred Compensation Plan, and all applicable provisions of the Montana Code Annotated. Any eligible employee of the City may voluntarily choose to participate in the Deferred Compensation Plan.

BE IT FURTHER RESOLVED that the Montana Deferred Compensation Plan is subject to amendment as permitted by the Plan Document, Title 19, chapter 50 of the Montana Code Annotated, and is eligible under section 457 of the Internal Revenue Code of 1954 (26 U.S.C. 457), as amended or superseded; and complies with regulations of the U.S. Department of the Treasury.

BE IT FURTHER RESOLVED that a participating employee may defer receipt of a part of their compensation and the deferred amount shall be invested in one or more of the investment options provided for in section 19-50-102, MCA. The total amount of compensation deferred may not exceed the amount permitted by the Internal Revenue Code. Compensation deferred pursuant to this Resolution is included as compensation for the purpose of computing retirement or pension benefits, but is not subject to state and federal income tax until properly distributed.

BE IT FURTHER RESOLVED THAT the City's employees may make contributions to only this Deferred Compensation Plan, not to additional 457 plans sponsored by the City. The City understands that it must choose one of the following with respect to any additional 457 plans sponsored by the City:

(a) leave existing account balances in the prior 457 plan with all new contributions being made to this Plan;

(b) do a direct transfer of all funds from the prior plan to this Plan; or

(c) allow employees to elect to retain existing account balances in the prior 457 plan or to do direct transfers to this Plan. All new contributions will be made to this Plan, regardless of whether employees chose to maintain their prior account balances in the prior 457 plan or transfer such balances to this Plan.

BE IT FURTHER RESOLVED that the Board will hold the deferred compensation funds invested pursuant to this Resolution and contract in trust for the exclusive benefit of the Montana Deferred Compensation Plan participants and their beneficiaries. The Montana Deferred Compensation Plan's administrator may allocate any necessary costs against the assets and interest earnings of each participant.

BE IT FURTHER RESOLVED that neither the Board nor the City shall be financially liable for any investment losses incurred.

BE IT FURTHER RESOLVED that the legislative body of the City is authorized and directed to enter into an Adoption Agreement with the Board that carries out the intent of this Resolution. The contract shall be effective on the 11th day of October, 2012.

AND BE IT FINALLY RESOLVED that in the event subsequent legislative assemblies of the state of Montana amend Title 19, Chapter 50 as to benefits, rights, or deferrals, or the Board amends the Montana Deferred Compensation Plan Document, the contract established pursuant to this Resolution shall be deemed amended to correspond thereto and the legislative amendments and Plan Document amendments shall be made a part of this Resolution and the ensuing contract.

CITY OF POLSON

By: Pat Devries
Pat Devries, Mayor

Attest: Cora Pritt
Cora Pritt, City Clerk

Date: September 4, 2013