

RESOLUTION No. 1554

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND APPROVING OPTIONAL PROVISIONS TO THE CITY'S 457 RETIREMENT PLAN AS PROVIDED BY THE PENSION PROTECTION ACT OF 2006.

WHEREAS, the passing of the Pension Protection Act of 2006 has resulted in changes to the Internal Revenue Code and regulations have been made regarding eligible 457 (b) plans since the City's last amendment; and

WHEREAS, it is in the best interest of the City's employees, to make three revisions that will: allow rollovers by non-spouse beneficiaries to an inherited IRA, tax-free withdrawals of up to \$3,000 annually for the payment of qualifying insurance premiums for eligible retired public safety officers, and emergency withdrawals for certain events related to a participant's beneficiary;

WHEREAS, the Attachment A, "PENSION PROTECTION ACT (PPA) OPTIONAL PROVISION ELECTION PACKET For 457 Plans" documents and explains the three revisions;

WHEREAS, the City of Salisbury can elect to offer these provisions to plan participants at no charge;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Salisbury, Maryland, in regular session on the 27th day of August, 2007, that the City's current 457 plan be revised to incorporate the three new provisions noted in Attachment A, effective August 31, 2007.

The above Resolution was introduced and read and passed at the regular meeting of the Council of the City of Salisbury held on this 27th day of August, 2007.

ATTEST:

Brenda J. Colegrove
CITY CLERK

Louise Smith
PRESIDENT, City Council

APPROVED by me this
_____ day of _____ 2007

Barrie P. Tilghman
MAYOR, City of Salisbury