

#110064

**VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION**

____ Resolution or Ordinance (Blue) *Waiver of First requested* ____
____ Recommendations of Boards, Commissions & Committees (Green)
X Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES
FROM: David Hulseberg, Village Manager *[Signature]*
DATE: February 8, 2011 (B of T) Date: March 3, 2011
TITLE: A motion to amend the existing Agreement between the Village of Lombard and ICMA-RC to provide payroll deduction Individual Retirement Accounts ("IRAs") for Employer's employees ("IRA accountholders".)

SUBMITTED BY: Kathleen Dunne, Human Resource Administrator

BACKGROUND/POLICY IMPLICATIONS:

We would like to provide an additional benefit to employees. This plan will be funded by the employee and there is no additional cost to the Village.

See attachment.

FISCAL IMPACT/FUNDING SOURCE: Funded through employee contributions.

Village Attorney _____ Date _____
Finance Director _____ Date _____
Village Manager *[Signature]* _____ Date 2-22-11



To: David Hulseberg, Village Manager

From: Kathleen Dunne, Human Resources Administrator KCD

Date: February 14, 2011

Subject: Addition of Roth IRA through ICMA-RC

I would like to provide an additional benefit of a Roth IRA through ICMA-RC to Village employees. This plan will be funded by the employee and there are no additional costs to the Village. It also does not interfere with any other retirement plans that the Village offers.

The Roth IRA will enhance the benefits offered for our employees. Approval is recommended.



Another Valuable Benefit for Your Employees

Did you know that ICMA-RC offers Payroll Deduction IRAs?

They can enhance your benefit offerings, providing another option to directly help your employees save for their future.

Enhance the benefits
available to
your employees.

And it's simple
and easy for you!

Many employees view a Payroll IRA as a valuable benefit

- It is a simple, convenient, and voluntary way to fund a Roth or Traditional IRA.
- A Roth IRA, in particular, can nicely complement employer retirement plans through potentially tax-free income and highly flexible withdrawal options.*
- Participant account maintenance fees are waived.

And minimal resources are required on your part!

- No plan administration fees are charged by ICMA-RC.
- It's simple and easy to set up; no ICMA-RC resolution is required.
- No IRS reporting, or discrimination or top-heavy testing, is required.
- It does not interfere at all with other retirement plans you sponsor.
- ICMA-RC can enroll your employees, saving you administrative time.

For more information, contact your ICMA-RC representative:

Contact: Kim Brownlee, Retirement Plans Specialist

Details: 1-800-291-9483 or kbrownlee@icmarc.org

* Earnings may be withdrawn tax- and penalty-free if you have owned a Roth IRA for at least a five-year period, as defined by the IRS, and have a qualifying event, including age 59½, a "first-time" home purchase, disability or death. Otherwise, ordinary income taxes as well as penalty taxes may apply. See IRS Publication 590.

February 8, 2011

Village of Lombard
Attn: Kathleen Dunne
255 E. Wilson Ave.
Lombard, IL 60148

Re: ICMA Retirement Corporation
Vantagepoint Payroll Deduct IRA Program

Dear Kathleen Dunne:

This letter agreement will serve to amend the existing Agreement between the **Village of Lombard** and ICMA-RC to provide for payroll deduction Individual Retirement Accounts ("IRAs") for Employer's employees ("IRA accountholders".)

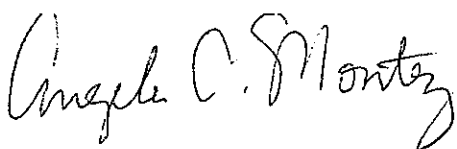
The existing Agreement between Employer and ICMA-RC is hereby amended as follows:

1. Employer desires to allow IRAs for its employees to be administered by ICMA-RC. Employer agrees to send checks or wire the assets to ICMA-RC for IRA accountholders. The details of the submission of IRA contributions shall be as mutually agreed between Employer and ICMA-RC, but in general shall be as set forth in the IRA program materials developed by ICMA-RC and provided to Employer.
2. Absent an explicit provision to the contrary, account fees and expenses payable by IRA Accountholders shall be as set forth in the IRA program materials.
3. Each IRA Accountholder will receive a consolidated quarterly statement providing information for any deferred compensation plan, qualified plan or IRA maintained by each IRA Accountholder and administered by ICMA-RC.
4. ICMA-RC will provide tax withholding and reporting for each IRA account administered by ICMA-RC.
5. Unless ICMA-RC and Employer agree otherwise, the details of ICMA-RC's administration of the IRA program, as well as other features of the IRA program, shall be as set forth in ICMA-RC's IRA program materials. The IRA program materials are hereby incorporated by reference and made a part of this Agreement, except that Employer and ICMA-RC may from time to time mutually agree in writing to terms that vary from the IRA program materials.

6. To assure IRA Accountholders of confidentiality, ICMA-RC will only provide Employers with such account information as is necessary to reconcile Employer's payroll deduction submittals.
7. It is agreed that ICMA-RC will not be responsible for ensuring that annual IRA contributions by each IRA Accountholder are within applicable annual contribution limits, and that this will be the responsibility of the IRA Accountholder.
8. It is understood that the year in which the payroll deduction occurs shall constitute the tax year in which the contribution is considered to be made to the IRA Accountholder's IRA.

If the **Village of Lombard** finds these terms agreeable, please so indicate by having the appropriate person sign and date this letter agreement in the space indicated below.

Very truly yours,



By _____

Angela C. Montez

Assistant Secretary

Agreed:

_____/_____
Signature of Authorized Official Date