

**Item -VI-K.2**  
**ORDINANCES/RESOLUTIONS**

**ITEM #67773**

**Upon motion by Councilman Dyer, seconded by Councilman Wood, City Council ADOPTED, BY CONSENT, Resolution to ADOPT the Commonwealth of Virginia 457 Deferred Compensation Plan**

*Voting: 10-0*

*Council Members Voting Aye:*

*Jessica P. Abbott, M. Benjamin Davenport, Robert M. Dyer, Barbara M. Henley, Vice Mayor Louis R. Jones, Shannon DS Kane, John D. Moss, John E. Uhrin, Rosemary Wilson and James L. Wood*

*Council Members Absent:*

*Mayor William D. Sessoms, Jr.*

1 A RESOLUTION TO ADOPT THE COMMONWEALTH OF  
2 VIRGINIA 457 DEFERRED COMPENSATION PLAN  
3

4 WHEREAS, the City Council, the governing body of the City of Virginia Beach,  
5 desires to adopt the Commonwealth of Virginia 457 Deferred Compensation Plan for their  
6 employees as defined in the adoption agreement of the City of Virginia Beach (attached  
7 hereto as Exhibit A); and  
8

9 WHEREAS, the Commonwealth of Virginia 457 Deferred Compensation Plan,  
10 which includes both Roth and Traditional options, is authorized by the Code of Virginia, §  
11 51.1-600 *et seq.* and Internal Revenue Code § 457(b), and political subdivisions are  
12 authorized to participate in such Plan by the Code of Virginia, § 51.1-603.1;  
13

14 NOW, THEREFORE, BE IT RESOLVED, that the City of Virginia Beach hereby  
15 approves the adoption of the Commonwealth of Virginia 457 Deferred Compensation Plan  
16 for the employees of the City in accordance with the provisions of the Code of Virginia;  
17 and  
18

19 BE IT FURTHER RESOLVED, that the City staff is hereby directed to implement  
20 the Commonwealth of Virginia 457 Deferred Compensation Plan at the earliest possible  
21 date but no sooner than June 1, 2018 and the City Manager or his designee is authorized  
22 and directed to enter into the adoption agreement between the City and the Virginia  
23 Retirement System.

Adopted by the Council of the City of Virginia Beach, Virginia, on the 6<sup>th</sup> day  
of February, 2018.

APPROVED AS TO CONTENT:

APPROVED AS TO LEGAL SUFFICIENCY:

  
Finance Department

  
City Attorney's Office

"EXHIBIT A"

NOTE: The language in this resolution has been approved by VRS Benefits Counsel and is not subject to modification.



Virginia  
Retirement  
System

VIRGINIA RETIREMENT SYSTEM  
P.O. Box 2500  
Richmond, VA 23218-2500

Commonwealth of Virginia 457 Deferred Compensation Plan  
Employer Adoption Agreement for All Employees

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THIS AGREEMENT (the "Agreement"), executed this [insert date] \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,  
is by and between [insert Locality, School Division, or Other Political Subdivision] \_\_\_\_\_  
\_\_\_\_\_ (the "Employer") and  
the Virginia Retirement System (the "Plan Sponsor") (hereinafter collectively referred to as the "Parties").

WITNESSETH

WHEREAS, the Commonwealth of Virginia established the Commonwealth of Virginia 457 Deferred Compensation Plan (the "Plan") and the Master Trust for the Plan (the "Trust") pursuant to § 51.1-600 et seq. of the *Code of Virginia*, as amended, and Internal Revenue Code ("IRC") § 457(b), including both Roth and Traditional options; and

WHEREAS, pursuant to § 51.1-603.1 of the *Code of Virginia*, as amended, the Employer desires to enter into this Agreement with the Plan Sponsor to permit participation in the Plan by its eligible employees; and

WHEREAS, the Employer is an "eligible employer" within the meaning of IRC § 457(e)(1)(A); and

WHEREAS, pursuant to § 51.1-603.1(B) of the *Code of Virginia*, as amended, the Employer may establish and automatically enroll certain employees in the Plan upon hire; and

WHEREAS, the Employer, by a resolution of its governing body, has directed its responsible official to enter into this Agreement;

NOW, THEREFORE, in consideration of the premises herein, the Parties agree as follows:

- 1) The Plan Sponsor and the Employer represent and warrant that each shall comply with all applicable laws and policy.
- 2) The Plan Sponsor represents to the Employer that the Plan Sponsor shall provide sufficient services to administer the Plan.
- 3) The Employer acknowledges and agrees to the terms and conditions established in the Trust and the Plan.
- 4) For purposes of the Employer's participation in the Plan, "employees" shall mean all "employees" as defined in § 51.1-600 of the *Code of Virginia*.

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- 5) The Employer shall permit the Plan Sponsor's third party administrator ("TPA") to conduct group and individual meetings on the Employer's premises for the purpose of explaining the Plan or enrolling employees.
  - 6) The Employer shall permit the Plan Sponsor and the TPA to communicate directly with eligible employees about plan information and enrollment.
  - 7) The Employer shall remit contributions under the Plan to the TPA in accordance with procedures promulgated by the Plan Sponsor or the TPA. The Employer shall correctly report and withhold employees' wages in accordance with applicable laws and policy.
  - 8) The Employer shall make the appropriate contributions (including associated matching contributions to another plan, if applicable) required under Internal Revenue Service regulations and the Plan Sponsor procedures to correct any failure (i) to inform an employee of the opportunity to defer, (ii) to allow an employee to defer, or (iii) to implement automatic enrollment, reenrollment, or an election or election change by an employee.
  - 9) Should the Employer offer its employees deferred compensation plans in addition to the Plan, then the Employer is responsible for monitoring all plans to ensure that no participants exceed the maximum deferral limits under IRC § 457.
  - 10) If the Employer so desires, it may check the box below and sign the statement of acknowledgment to automatically enroll certain employees in the Plan in a manner prescribed by the Plan Sponsor, subject to an employee (i) commencing employment or reemployment on or after the first day of [insert month and year]\_\_\_\_\_ but no sooner than the date established and confirmed by the Plan Sponsor, (ii) not participating in the Hybrid Retirement Plan described in § 51.1-169 of the *Code of Virginia*, and (iii) not having affirmatively elected to participate in the plan described in § 51.1-602 of the *Code of Virginia* or a 403(b) plan. If the Employer does not check the box and sign the statement of acknowledgment, then the Employer shall not automatically enroll its employees in the Plan.

By checking this box and signing this statement of acknowledgment, the Employer agrees to automatically enroll in the Plan in a manner prescribed by the Plan Sponsor, all employees who (i) commence employment or reemployment on or after the first day of [insert month and year]\_\_\_\_\_ but no sooner than the date established and confirmed by the Plan Sponsor, (ii) do not participate in the Hybrid Retirement Plan described in § 51.1-169 of the *Code of Virginia*, and (iii) have not affirmatively elected to participate in the plan described in § 51.1-602 of the *Code of Virginia* or a 403(b) plan.

\_\_\_\_\_  
Signature

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- 11) If applicable, the Employer acknowledges it is solely the responsibility of the Employer to instruct the Plan Sponsor's TPA where to map assets from the Employer's existing plan to the available investments under the Plan. Neither the Plan Sponsor nor the Plan Sponsor's TPA will advise or recommend to the Employer how to map assets from the Employer's existing plan.
  - 12) The Employer acknowledges asset transfers from an existing plan with the Employer into the Plan may need to be made over more than one day depending upon the facts and circumstances of each case.
  - 13) The Employer acknowledges upon termination of this Agreement asset transfers out of the Plan may need to be made over more than one day depending upon the facts and circumstances of each case.
  - 14) This Agreement may be amended from time to time only by written agreement between the Plan Sponsor and the Employer.
  - 15) The term of this Agreement shall be for at least a three-year period beginning on the date of its execution and, thereafter, may be terminated by either party upon written notice to the other party, which termination shall become effective on a date established by the Plan Sponsor.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed, intending to be bound thereby.

**Employer**

**Virginia Retirement System**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_

Date: \_\_\_\_\_, 20\_\_