

R-06-04

**THE STATE OF INDIANA DEFERRED
COMPENSATION MATCHING PLAN
(Volume Submitter)**

**RESOLUTION AND
ADOPTION AGREEMENT
(As approved by IRS October 27, 2005)**

Town of Georgetown

[Participating Employer]

ADMINISTRATOR

Auditor of the State of Indiana
240 State House
Indianapolis, Indiana 46204

RESOLUTION

WHEREAS, the Town of Georgetown, Indiana, (hereinafter referred to as the "Participating Employer") has determined that in the interest of attracting and retaining qualified employees, it wishes to offer a defined contribution plan, funded by employer contributions;

WHEREAS, the Participating Employer has reviewed the State of Indiana Deferred Compensation Matching Plan ("Plan");

WHEREAS, the Participating Employer wishes to participate in the Plan to provide certain benefits to its employees, reduce overall administrative costs, and afford attractive investment opportunities;

WHEREAS, the Participating Employer is an Employer as defined in the Plan;

WHEREAS, the Georgetown Town Council ("Governing Body") is authorized by law, IC 5-10-1.1-7.3, to adopt this resolution approving the Adoption Agreement on behalf of the Participating Employer;

Therefore, the Governing Body of the Participating Employer hereby resolves:

Section 1. The Participating Employer adopts the Plan and the Trust Agreement ("Trust") for the Plan for its Employees.

Section 2. The Participating Employer acknowledges that the Deferred Compensation Committee ("Trustees") are only responsible for the Plan and have no responsibility for other employee benefit plans maintained by the Participating Employer.

Section 3. The Participating Employer hereby adopts the terms of the Adoption Agreement, which is attached hereto and made a part of this resolution. The Adoption Agreement sets forth the Employees to be covered by the Plan, the benefits to be provided by the Participating Employer under the Plan, and any conditions imposed by the Participating Employer with respect to, but not inconsistent with, the Plan. The Participating Employer reserves the right to amend its elections under the Adoption Agreement, so long as the amendment is not inconsistent with the Plan or the Internal Revenue Code or other applicable law and is approved by the Trustees of the Plan.

Section 4.

(a) The Participating Employer shall abide by the terms of the Plan and the Trust, including amendments to the Plan and the Trust made by the Trustees of the Plan, all investment, administrative, and other service agreements of the Plan and the Trust, and all applicable provisions of the Internal Revenue Code and other applicable law.

(b) The Participating Employer accepts the administrative services to be provided by the Administrator of the Plan and any services provided by a Service Manager as delegated by the Administrator or Trustees. The Participating Employer acknowledges that fees will be imposed with respect to the services provided and that such fees will be charged to the Participants' Accounts, and not to the Participating Employer.

Section 5.

(a) The Participating Employer may terminate its participation in the Plan, including but not limited to, its contribution requirements, if it takes the following actions:

- (i) A resolution must be adopted terminating its participation in the Plan.
- (ii) The resolution must specify when the participation will end.

The Trustees shall determine whether the resolution complies with the Plan, and all applicable federal and state laws, shall determine an appropriate effective date, and shall provide appropriate forms to terminate ongoing participation. However, distributions under the Plan of existing accounts to Participants will be made in accordance with the Plan.

(b) The Participating Employer acknowledges that the Plan contains provisions for involuntary Plan termination.

Section 6. The Participating Employer acknowledges that all assets held in connection with the Plan, including all contributions to the Plan, all property and rights acquired or purchased with such amounts and all income attributable to such amounts, property or rights shall be held in trust for the exclusive benefit of Participants and their Beneficiaries under the Plan. No part of the assets and income of the Plan shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries and for defraying reasonable expenses of the Plan. All amounts of compensation deferred pursuant to the Plan, all property and rights acquired or purchased with such amounts and all income attributable to such amounts, property or rights held as part of the Plan, shall be transferred to the Trustees to be held, managed, invested and distributed as part of the Trust Fund in accordance with the provisions of the Plan. All contributions to the Plan must be transferred by the Participating Employer to the Trust Fund. All benefits under the Plan shall be distributed solely from the Trust Fund pursuant to the Plan. Only the assets attributable to a particular Participating Employer and its Employees are available to pay benefits to those Employees and their Beneficiaries.

Section 7. This resolution and the Adoption Agreement shall be submitted to the Trustees for their approval. The Trustees shall determine whether the resolution complies with the Plan, and, if it does, shall provide appropriate forms to the Participating Employer to implement participation in the Plan. The Trustees may refuse to approve an Adoption Agreement by an Employer that does not have state statutory authority to participate in the Plan. The Governing Body hereby acknowledges that it is responsible to assure that this resolution and

**THE STATE OF INDIANA DEFERRED
COMPENSATION MATCHING PLAN
ADOPTION AGREEMENT**

ADMINISTRATOR

Auditor of the State of Indiana
240 State House
Indianapolis, Indiana 46204
Telephone: (317) 233-3300
Facsimile: (317) 233-2794

PARTICIPATING EMPLOYER

Name: Town of Georgetown

GOVERNING BODY

Name: Georgetown Town Council
Address: P.O. Box 127, Georgetown, IN 47122
Phone: 812-951-3012
Facsimile: 812-951-2034
E-mail: TownHall@insightbb.com
Person Authorized to receive Official Notices from
the Plan or Administrator and to access account and
Plan information: Douglas Cook, Clerk-Treasurer

DISCLOSURE OF OTHER 401(a) PLAN(S)

This Participating Employer does or does not have an existing defined contribution plan(s). If the Participating Employer does have one or more defined contribution plans, the Governing Body must provide the plan name and name of the provider and such other information requested by the Administrator.

ELIGIBLE EMPLOYEES

Only Employees as defined in the Plan may be covered by the Adoption Agreement. Independent contractors may not participate in the Plan. Subject to other conditions in the Plan and this Adoption Agreement, the following employees are eligible to participate in the Plan, provided that they satisfy any additional eligibility requirements specified under "Other Eligibility Requirements" below (check one):

- All Employees.
- All Employees with the following exclusions:
 - Elected or appointed officials
 - Employees who are not covered by the Participating Employer's defined benefit retirement plan(s)
 - Other (must specify): _____
- Only Employees with an effective payroll deferral to the Deferred Compensation Plan. **Note: This box must be checked if the sole purpose of this Plan is to provide Employer contributions to match Employee contributions to Deferred Compensation Plan or if the Matching Contribution requirement has been selected for purposes of permitting Leave Conversion Contributions under the Plan.**

The Employer shall provide the Trustees with the name, address, Social Security Number, and date of birth for each Eligible Employee, as defined by the Adoption Agreement.

OTHER ELIGIBILITY REQUIREMENTS

Waiting Period – A Participating Employer may establish a waiting period before an Eligible Employee may become a Participant in the Plan. For purposes of determining a period of service, any period of time during which an individual is considered employed by the Participating Employer (including sick leave, personal leave, vacation leave, and paid time off) shall be included in the period of service calculation). The Employer hereby elects the following (elect "no waiting period" or one of the waiting period options below):

- No waiting period.** An Eligible Employee may become a Participant immediately upon meeting the eligibility conditions of the Plan.
- A waiting period described under one of the following options (check one):**
 - Minimum Period of Service (please complete items below):**

The waiting period for participation in the Plan shall be _____ (not to exceed 12 months) of service, calculated from the commencement of the Eligible Employee's employment with the Employer.

Eligible Employees who are employed on the date the plan is adopted
 will be will not be given credit for prior service as an Employee for purposes of satisfying the waiting period.

Different periods of service will be will not be added together to determine whether the waiting period has been satisfied.

Minimum Period of Contributions to the Deferred Compensation Plan (please complete items below if the sole purpose of this Plan is to provide employer contributions to match employee contributions to the Deferred Compensation Plan):

The waiting period for participation in the Plan shall be 3 months (not to exceed 12 months) from the date the Eligible Employee first makes contributions to the Deferred Compensation Plan.

Eligible Employees who are employed on the date the plan is adopted
 will be will not be given credit for prior contributions made to a prior 457(b) Plan for purposes of satisfying the waiting period.

After initially meeting the waiting period, any interruption of employee contributions to the Deferred Compensation Plan will will not require the employee to meet another waiting period to qualify for matching contributions.

Different periods of service in which deferrals are made as an Eligible Employee will will not be added together to determine if the waiting period has been satisfied.

EMPLOYER CONTRIBUTIONS

A Participating Employer may make Matching Contributions and/or Non-Matching Contributions, pursuant to a definite, pre-determined formula, as specified below. Matching Contributions and Non-Matching Contributions that are tied to Payroll Periods (as defined in this Adoption Agreement) must be remitted to the Administrator no later than 15 business days after the Payroll Period. Annual Contributions (including Leave Conversion Contributions) must be remitted to the Administrator no later than 15 days after the end of the Plan Year.

In addition to (but not in lieu of) Matching and/or Non-Matching Contributions, a Participating Employer may make contributions representing a specified amount of accrued, unused sick leave, vacation leave, personal leave, and/or paid time off ("Leave Conversion Contributions"). The Participating Employer shall comply with any procedures established by the Administrator, including the submission of data and funds electronically.

The Participating Employer hereby elects to make contributions as follows (check matching, non-matching, and leave conversion contributions, as applicable):

Employer Contributions shall be made to match all or a portion of a Participant's contribution to the Deferred Compensation Plan. (Check and complete "Flat Dollar Match" or "Percentage Match" below.)

- Flat Dollar Match:** For each Payroll Period in which the Participant contributed at least \$ _____ (\$15 to \$25) to the Deferred Compensation Plan, the Participating Employer will contribute a flat dollar amount as shown below (complete as applicable; amount may not result in a zero flat dollar match):

\$ _____ per weekly Payroll Period
\$ _____ per bi-weekly Payroll Period
\$ _____ per semi-monthly Payroll Period
\$ _____ per monthly Payroll Period

- Percentage Match:** For each Payroll Period in which the Participant contributed to the Deferred Compensation Plan, the Employer will contribute 50% (insert percentage; may not be zero) of the dollar amount contributed to the Deferred Compensation Plan. (For example, if an Employer elects a 50% match, then for every \$10 the Participant contributes to the Deferred Compensation Plan, the Employer will contribute \$5 to this Plan).

Cap on Percentage Match - The Employer may wish to establish a cap on its matching contributions, so that the percentage (%) match amount indicated above cannot exceed a certain amount per Payroll Period. The Employer hereby elects the following cap on its percentage matching contribution (check and fill in \$ or % of compensation limit to apply below, or check "no cap" below):

- Flat Dollar Cap** - In no event will Matching Contributions made on behalf of a Participant exceed a flat dollar amount equal to (may not result in zero dollar amount):

\$ _____ per weekly Payroll Period
\$ _____ per bi-weekly Payroll Period
\$ _____ per semi-monthly Payroll Period
\$ _____ per monthly Payroll Period

[Note: If the Employer has more than one type of Payroll Period, you should indicate dollar cap that will apply with respect to each type of Payroll Period e.g., \$100 per weekly Payroll Period, and \$200 per bi-weekly Payroll Period].

- Cap Equal to Percentage of Total Compensation:** In no event will Matching Contributions made on behalf of a Participant exceed 7 1/2% (may not be zero) of the Participant's Compensation per Payroll Period.

No Cap

[Skip to "Payroll Period" below if Employer is not electing to make Non-Matching Contributions and/or Leave Conversion Contributions below]

For purposes of computing matching contributions, "Compensation" is subject to the limits imposed by Internal Revenue Code 401(a)(17).

NON-MATCHING CONTRIBUTIONS

The Employer hereby elects to make contributions to the Plan without regard to a Participant's contribution to the Deferred Compensation Plan.

The Employer elects the following formula (check one):

Year-End Contributions: A one-time Plan Year-End contribution of \$ _____ or _____% of Compensation per Participant (may not result in total contribution of zero).

_____% (may not be zero) of Compensation per Payroll Period or a flat dollar amount per Payroll Period as shown below (complete as applicable; amount may not result in a zero flat dollar amount):

\$ _____ per weekly Payroll Period

\$ _____ per bi-weekly Payroll Period

\$ _____ per semi-monthly Payroll Period

\$ _____ per monthly Payroll Period

For purposes of computing non-matching contributions, "Compensation" is defined in the Plan, subject to the limits imposed by Internal Revenue Code Section 401(a)(17).

LEAVE CONVERSION CONTRIBUTIONS

In order to make Leave Conversion Contributions, a Participating Employer must also be making Matching and/or Non-Matching Contributions to the Plan. With respect to Leave Conversion Contributions, the following rules shall apply:

- Only accrued, unused leave (including vacation leave, sick leave, personal leave, or paid time off) may be converted under the Plan into an Employer contribution.
- Only accrued, unused leave which accrues over the Employee's employment history and is available at his or her option for use for sickness or other time-off, without imposition of other conditions such as training, other duties, or severance, may be converted.
- An Employee may not become a Participant in the Plan only in the Plan Year in which the Employee has a Separation from Service (i.e., the only Employer contribution to the

Plan cannot be a contribution of accrued, unused leave at the time of an Employee's Separation from Service).

- The accrued, unused leave to be converted to an Employer contribution can only be leave for which the Employee has no right to request a cash payment. Leave without pay is not eligible for conversion under the Plan.
- The leave conversion formula selected by the Participating Employer must either involve the multiplication of (1) the Employee's daily rate of pay (or a set percentage thereof), or (2) a set dollar amount, based on the amount of accrued, unused leave being converted. For a conversion formula based on daily rate of pay, the pay used in the computation may not exceed the compensation limits under Internal Revenue Code 401(a)(17).

Employer Leave Conversion Contributions—Annual Contribution.

- Amount of Leave Converted.** The Employer elects to require that the amount of accrued, unused leave set forth below which an Employee has remaining at the end of each Plan Year shall be converted as a monetary contribution by the Employer to the Employee's Regular Account. These contributions shall be treated as Employer Contributions for all purposes under the Plan, including the limits of Article V. Select one of the following.

- All accrued, unused leave of an Employee shall be converted to an Employer contribution.
- All accrued, unused leave over ____ days shall be converted to an Employer contribution.

- Conversion Formula.** For purposes of conversion, the value of each accrued, unused leave day is determined as follows (select one):

- The Employee's daily rate of pay as of the date of conversion multiplied by the number of accrued, unused leave days eligible for conversion.
- ____ % of an Employee's daily rate of pay as of the date of conversion multiplied by the number of accrued, unused leave days eligible for conversion.
- \$ ____ multiplied by the number of accrued, unused leave days eligible for conversion.

Employer Leave Conversion Contributions—Contribution at Separation from Service.

Amount of Leave Converted. The Employer elects to require that the amount of accrued, unused leave set forth below which an Employee has remaining at the time of an Employee's Separation from Service shall be converted as a monetary contribution by the Employer to the Employee's Regular Account. These contributions shall be treated as Employer Contributions for all purposes under the Plan, including the limits of Article V. Select one of the following.

All accrued, unused leave of an Employee shall be converted to an Employer contribution.

All accrued, unused leave over ____ days shall be converted to an Employer contribution.

Conversion Formula. For purposes of conversion, the value of each accrued, unused leave day is determined as follows (select one):

The Employee's daily rate of pay as of the date of conversion multiplied by the number of accrued, unused leave days eligible for conversion.

____ % of an Employee's daily rate of pay as of the date of conversion multiplied by the number of accrued, unused leave days eligible for conversion.

\$____ multiplied by the number of accrued, unused leave days eligible for conversion.

PAYROLL PERIOD

The payroll period of the Participating Employer is:

- Weekly
 Bi-Weekly
 Semi-Monthly
 Monthly

MODIFICATION OF THE TERMS OF THE ADOPTION AGREEMENT

If a Participating Employer desires to amend any of its elections contained in this Adoption Agreement, the Governing Body by official action must adopt an amendment of the Adoption Agreement or a new Adoption Agreement must be adopted and forwarded to the

Trustees for approval. The amendment of the new Adoption Agreement is not effective until approved by the Trustees and other procedures required by the Plan have been implemented.

TERMINATION OF THE ADOPTION AGREEMENT

This Adoption Agreement may be terminated only in accordance with the Plan.

EFFECTIVE DATE

This Plan will be effective April 20, 2006 for this Employer.

NOTE: This Plan document may not be used to extend the remedial amendment period to update an existing plan for GUST or TRA '86.

EXECUTION BY EMPLOYER

The foregoing Adoption Agreement is hereby adopted and approved on the 20 day of April, 2006.

Signed: Gary L. Smith

Printed Name: GARY L. SMITH

Title: President Council

Date of Signature: 4-20-06

TRUSTEES APPROVAL

The Adoption Agreement is approved by the Board of Trustees of the State of Indiana Deferred Compensation Matching Plan. Contributions shall first be remitted as follows:

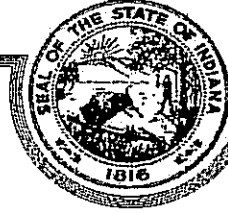
- within 15 business days after the Payroll Period ending _____, 20__.
- other (must specify): _____.

Dated: _____

By: _____

Title: _____
on behalf of the Board of Trustees

Auditor of State



CONNIE KAY NASS

Jeff Heinzmann
Deputy Auditor and Counsel
Direct: (317) 233-1712
jheinzmann@auditor.in.gov

317-232-3300
317-232-6097
<http://www.in.gov/auditor>

April 6, 2005

Douglas Cook
Clerk-Treasurer
Town of Georgetown
P.O. Box 127
Georgetown, IN 47122

RE: Town of Georgetown's Indiana Deferred Compensation Matching Plan
- Volume Submitter Update

Dear Mr. Cook:

In October, the IRS approved a revised version of the Hoosier S.T.A.R.T.® 401(a) local subdivision Plan Document along with a Resolution and Adoption Agreement (Volume Submitter). The benefit of the Volume Submitter is the continuing right of local subdivisions to rely upon the IRS determination letter finding the volume submitter program to be acceptable under section 401(a) of the Internal Revenue Code. One of the disadvantages of the Volume Submitter is a slightly more strict set of parameters for local matching programs. The revised form does not have the broad "Other" category for determining the matching formula.

As a result of the IRS's action, we need to receive updated Resolutions and Adoption Agreements on the IRS approved forms. To help you with the process, the enclosed forms have been filled out as much as possible in a manner consistent with the agreement on file for your local subdivision. If you require a blank form, we can e-mail one to you immediately.

Current Plan:

The Town of Georgetown's original adoption agreement provides for a 50% match up to 7 ½ % of total compensation. It also provides for "matching contribution on some employees on longevity."

Issue(s):

Under the IRS approved Volume Submitter, the match and cap are fine and fit well within the Volume Submitter Adoption Agreement. The vague matching contributions based upon longevity cannot be done. However, there is a different option available under the Volume Submitter that should be able to provide a different benefit that rewards longevity in an acceptable manner as Town's original agreement indicates it would like to do.

Proposal:

The Town of Georgetown should select Percentage Match on page AA-4, indicate 50% if it wishes to continue with the same formula, and select the cap equal to a percentage of total compensation of 7 ½%. With respect to rewarding longevity, the Town should examine the Leave Conversion provisions of the Volume Submitter Adoption Agreement.

The Volume Submitter presents political subdivisions with the opportunity for employees to convert accrued, unused leave into 401(a) contributions. The options for this program are set forth on pages AA-5 through AA-7 of the Adoption Agreement. An annual contribution or a separation from service contribution may be selected. Within each Leave Conversion option, all accrued, unused leave may be converted or all accrued, unused leave over a certain number of days. The leave may be converted based upon the employee's daily rate of pay, a percentage of the employee's daily rate of pay, or a fixed dollar amount per number of days of leave to be converted.

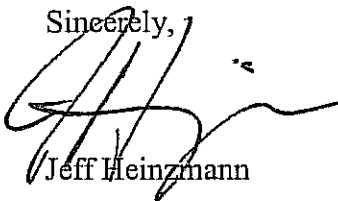
Please complete, execute, and return the Resolution and Adoption Agreement to the Indiana Hoosier S.T.A.R.T.* office at your earliest convenience. The address you need to return the forms to is:

Hoosier S.T.A.R.T.*
101 West Ohio, Suite 760
Indianapolis, IN 46204

Attn. Volume Submitter

Thank you, and please feel free to e-mail or call me at the contact information above with any questions.

Sincerely,



Jeff Heinzmann

Enclosure

the Adoption Agreement are adopted and executed in accordance with the requirements of applicable law.

Adopted by the Governing Body on April 20, 2006, in accordance with applicable law.

By: Gary L. Smith
Signature

President Council
Name and Title

Attest: Douglas Pike

Date: April 20, 2006

[Governing Body should assure that applicable law is followed in the adoption and execution of this resolution.]