

**<<Agency Name>> Deferred Compensation
ADOPTION AGREEMENT**

THIS AGREEMENT, made and entered into this ____ day of _____, 20____, by and between the _____ (“_____”), and the Public Employees’ Retirement Board (“Board”), establishes that the parties mutually covenant and agree that:

1. Effective the later of the first regular employer pay period beginning one month after Board approval, or the 1st day of _____, 2011, the rights, benefits, payments, duties, and obligations with respect to membership and participation in the state of Montana’s deferred compensation program (Title 19, chapter 50, MCA), shall be available to the employees of the _____ upon the terms and conditions set forth in the applicable statutes, regulations, and plan document.

2. The _____ agrees that the Board is the administrator of the deferred compensation program and agrees to the rules and conditions established by the Board for the proper administration of the plan. Account balances in the _____’s previous 457 plan, if any, may be directly transferred from that plan to the state’s program.

3. The _____s’ payroll officer shall withhold from the compensation of a participating employee (“participant”) the deferral amount specified in that employee’s salary deferral agreement, provided that the employee has signed a participant enrollment form indicating their desire to participate in the deferred compensation program and a salary deferral agreement.

4. The _____ agrees, within a reasonable time but no later than 5 business days after each pay day, to submit to the Board required participant data and funds for the

participant deferrals indicated on each participant's salary deferral agreement.

5. The _____ further agrees, at the same time the participant data and funds referenced in section 3 above are submitted, to submit to the Board as additional deferral amounts the appropriate employer's contribution, if any, in the amount of _____.

6. The total amount of compensation deferred in a calendar year, including participant's deferral and employer's contribution, may not exceed the lesser of the amount permitted by the Internal Revenue Code (\$17,000 as of January 1, 2012), or 100% of the participant's includible compensation.

7. The _____ further agrees that its employees will not be permitted to make contributions to any other 457 plan sponsored by the _____. However, this provision does not preclude the _____'s employees from having existing account balances retained in prior 457 plans.

8. All plan assets, including participant deferrals, employer contributions, and all income attributable to those assets, are held in trust by the Board for the exclusive benefit of the participants and their beneficiaries.

9. The Board agrees to maintain, or have maintained by a service manager, an account for each participant. Each participant's account will be credited with the participant's deferral amount, and any employer contribution, for each pay period upon receipt of the deferral amount from the _____.

10. The Board further agrees to invest, or have invested by a third party, a participant's deferral amounts pursuant to instructions on the participant's enrollment form and Title 19, Chapter 50, MCA. The participant's account will be adjusted daily to reflect any distribution to

the participant and all interest, dividends, account charges, and changes in market value resulting from the investment of the participant's deferred amounts. Pursuant to 19-50-204, MCA, neither the Board nor the _____ are financially liable for any investment losses incurred.

11. The Board further agrees that a written statement of account shall be provided to each participant within thirty (30) days after the end of each quarter of the calendar year. The statement shall show participant deferrals and employer contributions for each payroll period.

12. Benefits will be payable to each participant pursuant to the appropriate plan document. Benefits are normally available following a participant's separation of service, death, or disability, or the occurrence of an unforeseeable emergency. Voluntary in-service distributions are available to participants whose account does not exceed \$5,000 on the date of distribution; who have not previously received an in-service distribution; and who have had no amount deferred under the Plan during the two-year period ending on the date of the in-service distribution. Participants' accounts may also be subject to partial or full distribution, before or following separation from service, pursuant to a Qualified Domestic Relations Order.

13. Any amendments made by the Montana Legislature to the Deferred Compensation Program, Title 19, Chapter 50, MCA, shall apply to and become a part of this Adoption Agreement on the effective date of the amendments, and the Adoption Agreement shall be deemed amended accordingly.

14. Any amendments made to the State of Montana Public Employee Deferred Compensation Plan Document shall apply to and become a part of this Adoption Agreement on the effective date of the amended plan document, and the Adoption Agreement shall be deemed amended accordingly.

15. This Adoption Agreement shall not be cancelled, amended, or abrogated by any act of the parties except as provided for in the Title 19, Chapter 50, MCA, specifically 19-50-201, MCA.

<<AGENCY/DISTRICT NAME>>

PUBLIC EMPLOYEES' RETIREMENT BOARD

By: _____
<<Name, Title>>

By: _____
John Nielsen, President

Attest: _____
<<Name, Clerk or other like Officer>>

Attest: _____
Roxanne Minnehan, Executive Director

Date: _____

Date: _____

SAMPLE