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CITY OF DANBURY
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M E M O R A N D U M

TO: Honorable Mark D. Boughton via the City Council
FROM: David W. St.Hilaire, Director of Finance *DWH*
DATE: August 26, 2010
RE: Amendment to the City of Danbury Deferred Compensation Plan

Attached for your consideration is a proposed resolution amending the City of Danbury employees' Deferred Compensation Plan.

This amendment would allow the Plan to add a loan provision, and allow Plan participants to borrow against their individual account. Limits on the principal amount of loans will apply, as well as applicable interest rates. Repayment will be made through payroll deduction.

The City Council is respectfully requested to consider this resolution at its next meeting.

DST/ag



RESOLUTION

CITY OF DANBURY, STATE OF CONNECTICUT

_____ A.D. 2010

RESOLVED BY THE CITY COUNCIL OF THE CITY OF DANBURY

City Council Resolution for Deferred Compensation Plan Amendments

WHEREAS, the City of Danbury ("City") offers a Deferred Compensation Plan ("Plan") to its employees; and

WHEREAS, the City's Plan must be modified to conform to federal Internal Revenue Service (IRS) tax regulations as they may be amended from time to time; and

WHEREAS, federal IRS tax regulations authorize Participants of Deferred Compensation Plans to apply for loans against their account; and

WHEREAS, the City elects to amend its Plan to make such loans available to Participants in the Plan.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Danbury modify its Plan in accordance with federal IRS tax regulations as they may be amended from time to time, including but not limited to, adding a loan provision for its Participants.