

Cleveland Public Library

Human Resources Committee

December 15, 2011

**Resolution Terminating the Cleveland Public Library
Section 403(b) Tax-Sheltered Annuity Plans**

WHEREAS, due to the implementation of more stringent Treasury regulations, and, upon the advice of outside employee benefits counsel, on June 18, 2009 the Board resolved that the Cleveland Public Library should no longer sponsor a plan under Section 403(b) of the Tax Code and therefore suspended future contributions to the Library's 403(b) Plan (previously, two plans which were combined into one) effective on August 31, 2009; and

WHEREAS, the Cleveland Public Library filed a compliance statement request with the Department of the Treasury (IRS) seeking clarification that its existing 403(b) Plan remained tax exempt, and on August 8, 2011 the IRS approved the compliance statement filed by the Cleveland Public Library; and

WHEREAS, consistent with its previous actions, the Library desires to formally terminate the 403(b) Plan effective as of December 31, 2011 and to provide employees and retirees information about options to transfer or receive distribution of their funds remaining in the Plan; and

WHEREAS, the Library has notified its vendors ING Financial Advisors and Isquick & Associates of the December 31, 2011 403(b) Plan termination and has further ascertained what options are available with each vendor for transfer of funds; now therefore be it

RESOLVED, that the Cleveland Public Library's 403(b) Plan shall formally terminate as of December 31, 2011; and be it further

RESOLVED, that current Plan participants be notified of the December 31, 2011 termination of the 403(b) Plan and the various options available to them for transfer of funds or distribution of funds with existing vendors after termination; and be it further

RESOLVED, that a wind- down period through at least January 31, 2012 be provided after the termination during which time Plan participants will be encouraged to speak and meet with the 403(b) vendors and their own financial counselors to determine the best course of action for their individual circumstances; and be it further.

RESOLVED, that Library Director is hereby authorized to engage outside legal counsel to take all steps necessary to preserve the tax deferrals and tax exempt status of participants' accounts under the 403(b) Plan; and be it further

RESOLVED, that the appropriate officers of the Library be, and each of them hereby is, authorized and empowered in the name and on behalf of the Library to take or cause to be taken any and all such further actions, to execute and deliver or cause to be executed and delivered all documents, instruments and agreements, and to make such filings, in the name and on behalf of the Library, that they in their judgment determine to be necessary, desirable or advisable to carry out fully the intent and purposes of the foregoing Resolution.