

# The NACo Deferred Compensation Program

## MEMBER COUNTY ADMINISTRATIVE AGREEMENT

This Agreement is executed by and between the National Association of Counties (NACo), Washington, D. C., and the County of   CAMERON   (County).

### RECITALS

#### I. THE PROGRAM:

NACo has established a Master Deferred Compensation Program for its Member Counties, permitting Member Counties and their employees to enjoy the advantages to be derived as a result of Section 457 of the Internal Revenue Code.

The intent of said Program is to assist Member Counties and their employees in providing an increased measure of financial security to offset the effects of inflation on their ultimate retirement benefits.

Said Program will provide NACo Member Counties a new way to help employees help themselves by providing an attractive incentive to build a voluntary fund for their supplemental retirement income requirements.

Said Program will be provided at no cost to NACo Member Counties other than incidental expenses related to payroll deductions, and certain other assessments levied against individual employee accounts detailed under "ADMINISTRATIVE EXPENSES" in SECTION VIII.

#### II. REGULATORY CONSIDERATIONS:

NACo has received opinion of counsel that such Program meets all necessary criteria for approval by all federal regulatory authorities governing such Programs, including the Internal Revenue Service.

**III. COMPETITIVE BID PROCESS:**

NACo has conducted a comprehensive competitive Bid selection process on behalf of its Member Counties to select those insurance and investment institutions proposing the most attractive combination of costs, benefits and services, and

This Bid selection process was performed by NACo in order to comply with our Member Counties' required purchasing procedures,

NACo did provide each Member County with the proposed bid specifications in advance, soliciting advice and counsel concerning the bid selection process, and

**IV. PROGRAM ADMINISTRATOR:**

NACo has agreed to function as the Plan Administrator of said Program and to fulfill and accept responsibility for all administrative requirements necessary for the successful operation of the Program, and

**V. COUNTY CONSIDERATION:**

County recognizes that such tax-sheltered savings benefits will act as incentives for employees to voluntarily set aside and invest portions of their current income to meet their future financial requirements and supplement their County retirement income,

County recognizes that through the adoption of the NACo Program, all such regulatory, operational, administrative and other Program management responsibilities are assumed by NACo in behalf of County,

County recognizes the important contribution of NACo's technical expertise in the design, implementation and administration of a national Program established and administered in compliance with all applicable regulatory jurisdictions,

County recognizes the advantages and economies of scale secured by the mass purchasing leverage of NACo and its Member Counties through a comprehensive bid selection analysis, and

County recognizes the benefits of NACo's establishing a functional administrative system on behalf of Member Counties to administer said Program, and

County has enacted the necessary resolution/court order to adopt the NACo Plan Agreement and to establish its Deferred Compensation Program for its employees.

**VI. NACo RESPONSIBILITIES:**

NOW, THEREFORE, it is agreed that NACo shall:

- A. Provide County with a Deferred Compensation Plan Agreement and necessary agreements for execution with its participating employees which is and will be maintained in compliance with the provisions of the Internal Revenue Service,
- B. Establish the overall Program, its funding options and administrative operations so as to comply with other regulatory authorities, including state statutes, constitutional restrictions and other appropriate authorities,
- C. Provide County with such technical assistance as is necessary to implement the Program in accordance with the needs and objectives of the County individual requirements,
- D. Warrant that it has conducted, on behalf of its Member Counties, a comprehensive bid selection process designed to provide the most competitive combination of costs, benefits and services for NACo Member Counties and their employees.
- E. Review annually the administrative, operational and financial performance of such selected companies and take such actions as are necessary to assure the Member County and its employees the best possible continuity of costs, benefits and services.

- F. Provide a comprehensive administrative service system to facilitate employee deferrals, reconciliations, disbursements to the investment media, maintenance of the individual and County account records, provide periodic statements and coordinate employee distributions, and assure proper tax reporting systems,
- G. Provide such accounting and audit systems as are necessary to insure the fiscal integrity of the Program and to provide County with reports and work papers as are reasonably necessary to meet County's individual financial reporting requirements;
- H. Provide for an initial and continuous employee educational program to make certain all interested County employees receive a thorough understanding of the overall Program, its advantages and restrictive provisions of the Program,
- I. Provide such employee communication materials and other forms, documents and agreements as are necessary to administer the Program,
- J. Provide the County and its employees such convenience and timeliness of individual services as are required for effective employee understanding and participation,
- K. Agree to indemnify and hold harmless the County and its individual officers and appropriate officials from any loss arising from NACo or its Agent's failure to perform its duties and services pursuant to this Agreement.

**VII. MEMBER COUNTY AGREES that it shall:**

- A. Provide NACo its full cooperation and support in administering the necessary deferral system for employee contributions,
- B. Disseminate from time to time, at its sole discretion, such promotional material as provided by NACo for employee distribution,
- C. Arrange for representatives of NACo's Program to conduct orientation meetings with County employees,
- D. Name a County official or committee to act as Contract Administrator in behalf of the County on all material matters relating to activities of the Program.

E. Accept the terms and conditions of the insurance and investment company contracts as represented by NACo pursuant to the operation of this Program.

It is mutually understood and agreed that NACo has designated Public Employees Benefit Services Corporation (PEBSCO) to act as its Agent in fulfilling certain of the administrative and marketing requirements of this Agreement, and


Further, that the Member County has the right to terminate this Agreement should either NACo or PEBSCO fail to satisfactorily perform its responsibilities and services pursuant to this Agreement.

**VIII. ADMINISTRATIVE EXPENSES:**

County agrees that to cover the costs of implementation and administration of the Program, NACo shall be entitled to assess quarterly each individual employee's account an amount equal to .0875% of total assets. Such assessment may be reduced by NACo but in no event shall be more than .35% per year.

This Agreement is effective until written notice of termination is provided by either party.

MEMBER COUNTY

  
\_\_\_\_\_  
Administrator

Date

9/16/81

NATIONAL ASSOCIATION OF COUNTIES

  
\_\_\_\_\_  
President

Date

October 2, 1981

**VII. TERMINATION:**

**A. MEMBER COUNTY**

Member County may terminate this Agreement upon 90 days' written notice to NACoServices and PEBSCO if NACoServices or PEBSCO fails to perform any of their obligations hereunder. During such 90 day period, the defaulting party shall have the right to cure the default or breach. Any written notice given hereunder shall specifically state the nature of the default or breach.

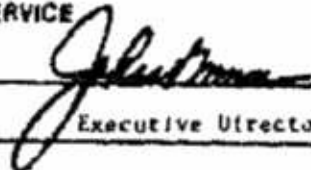
**B. NACoSERVICES OR PEBSCO**

If the Member County fails to agree, whether by act or omission, to the terms and conditions for participation in the Program, NACoServices or PEBSCO shall have the right to terminate this Agreement upon 90 days' written notice to the Member County; provided, however, the Member County may cure the default or omission within 90 days immediately following the date of said notice.

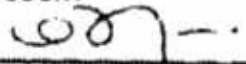
**VIII. CONTRACT TERM**

This Agreement is effective until written notice of termination pursuant to Article VII above is provided by any party.

NACoSERVICE

  
Title: Executive Director

MEMBER COUNTY

  
Title: Antonio D. Garza, Jr.  
County Judge, Cameron County

PUBLIC EMPLOYEES BENEFIT SERVICES CORPORATION

  
Title: President

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**PLEASE SIGN AND RETURN THIS ORIGINAL COPY ONLY.**

093045  
CAMERON COUNTY TX  
MICHAEL PUCKETT  
TREASURER  
404 E HARRISON

MOONSVILLE TX 78520

