



DEFERRED COMPENSATION 457(b) PLAN POLICY

For the purpose of policy interpretation, Mcmillan Memorial Library employees are considered both employees of the Library as well as employees of the City of Wisconsin Rapids. Policy wording may include either references to "City" employees or "Library" employees, both of which apply if approved by the McMillan Memorial Library Board.

Purpose:

To provide guidelines for the plan administration of the Deferred Compensation 457(b) Plans.

Policy:

A Deferred Compensation Plan is a Section 457(b) supplemental deferred compensation plan that provides a tax-favored vehicle for participants to save for retirement. These plans allow employees to save and invest before-tax and after-tax dollars through voluntary paycheck contributions, supplementing any existing retirement/pension benefits. Participation is strictly voluntary.

The City's Plan investment objective is to make available a broad range of diversified investment options that have varying degrees of risk and return. Individual participants vary in their level of risk tolerance. Because participants direct their own investments, the plans will offer a wide spectrum of investment options, all with varying levels of risk and return. Risks associated with the investment options can vary significantly within each investment category and the relative risks of categories may change under certain economic conditions.

The City currently works with Nationwide Retirement Solutions to service the City's Deferred Compensation Plan. The State of Wisconsin also offers a Deferred Compensation Plan, the Wisconsin Deferred Compensation (WDC) Program, of which City employees may participate in. Great West Financial Services currently services the WDC program. The service providers will provide participant education and counseling to guide participants in their selection of investment options. Participants may design an investment plan from the options that best meet their individual needs.

Employees interested in participating in a Deferred Compensation Plan may only participate in one Plan, not both. Information regarding both plans and investment options can be found in the respective booklets provided to an employee at the time of hire or as requested, from Human Resources.

The City's Human Resources Committee will review service providers and fees for the City's Plan at least annually. Additionally, the City has entered into an Investment Fiduciary Service agreement with Morningstar Associates, LLC and Nationwide Life Insurance Company. As part

of this agreement, Morningstar Associates, LLC acknowledges its role as a fiduciary, as defined in Section 3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974 (“ERISA”), with respect to the selection and ongoing monitoring of the Plan’s Fund Lineup. The menu of investments under the State WDC program is selected and monitored by a governor-appointed Deferred Compensation Board, who ensures that the WDC program offers a well-diversified array of high quality investment opportunities over time. The Human Resources Committee acts solely for the exclusive benefit of City Plan participants and makes recommendations to the Common Council when any changes in service providers are necessary.

Procedures:

1. Employees who have a fixed annual salary are eligible to participate and may enroll in a plan at any time throughout the year.
2. Employees may contact the Human Resources Department for initial enrollment information and the Payroll Department for deferral amounts changes.
3. The Human Resources Department will coordinate periodic meetings between employees and the service providers so that employees may review investment options, fund performance and discuss any other questions or concerns they may have, regarding their account, directly with a service provider representative.
4. Employees may contact service provider or WDC representatives directly at any time.
5. Periodic statements for employee accounts will be sent directly to the employees’ homes.
6. The IRS sets an annual maximum contribution limit and the employee is responsible to monitor his/her contributions to ensure that contributions do not exceed the annual limit.

This policy/procedure/manual does not in any way constitute an employment contract; and the City of Wisconsin Rapids reserves the right to amend this policy/procedure/manual at any time, subject to approval by the Common Council.

Adopted by the McMillan Memorial Library Board of Trustees, August 16, 2023.