

RESOLUTION AUTHORIZING AN AMENDMENTS TO THE BENEFIT PLAN
ADOPTED BY THE COMMISSION PURSUANT TO SECTION 125 OF THE IRS CODE

WHEREAS, the Merchantville-Pennsauken Water Commission (hereafter the MPWC or Commission) is a public entity and a body politic of the State of New Jersey created pursuant to New Jersey Statutes NJS 40:62-108 et seq. and has the authority to provide for the orderly and efficient operation of the Commission, finances, and to employ and compensate employees pursuant to New Jersey statute, its enabling act and authorizing agreement; and

WHEREAS, the Commission had in prior years adopted a Section 125 Plan in order to permit employees to make or allow deductions prior to calculations of income tax under the IRS code and in 2010 the State of New Jersey mandated healthcare premium contributions from employees of the Commission which were deducted in accordance with this Plan adopted by the Commission;

WHEREAS, that year the State Legislature by passage of P.L. 2011.c78 mandated that the Commission create and make available to all employees a Healthcare Flexible Spending Account Plan (HFSA), along with increases in mandatory deductions from employees for healthcare and pension contributions in conjunction with broad ranging changes to the public employee pension and healthcare laws; and this Commission at its regular October 2011 meeting by formal resolution and vote adopted a HFSA as directed by the State government and appointed Benefit Express to administer that plan; and

WHEREAS, on October 30, 2013, the IRS issued its Notice 2013-71 directive making clear that Section 125 Plans can amend to provide for a carry-over of employee payroll deduction contribution of up to \$500 from one plan year into the next if the Plan is amended to provide for such and may do so retroactive to January 1, 2013 plan year, and the Commission passed Resolution 2013-30 on November 14, 2013 while in open public meeting to allow for the then maximum carry-over of \$500.00 from one plan year to the next ; and

WHEREAS, the IRS issued its Notice 2020-29 and 2020-33 approving raising the Carry-over and permitting plan amendment retroactive to the beginning of this plan year and allowing for future increases in the limits of carry-over ; and this issue coming before the Commission while in meeting duly organized and advertised appeared in public session; and had publicly considered and proceeded under the Open Public Meetings Act ; and after allowing for public comment;

NOW, THEREFORE BE IT SO RESOLVED by the Commission in lawful meeting publically advertised and held in conformance with the Open Public Meetings Act that the Section 125 Plan previously adopted by the Commission , and currently in place as required by State law, is hereby amended effective for the Plan year commencing January 1, 2020 so as to include the amendments to the Flexible Spending Account plans that provide for a \$550.00 carry-over to the following plan year of that portion of any FSA account that is contributed by the employee from pre-tax payroll deductions; and The Plan is hereby Amended prospectively so as to conform to the IRS and Treasury regulations to permit the maximum carry-over allowed by law going forward that will conform to regulations and preserve the tax status and advantages for the beneficiaries; and

THEREFORE BE IT FURTHER RESOLVED, that the Officers of the Commission, and the C.O.O. and MPWC staff is hereby authorized to execute any appropriate documents and to take the appropriate actions they deem necessary to effectuate this Amendment to the Section 125 Plan and to effectuate this Resolution.

I, **Ronald S. Johnson**, SECRETARY of the Merchantville-Pennsauken Water Commission, hereby certify the foregoing to be a true and correct copy of the Resolution adopted by Commission at a meeting of said Commission on the date above afore noted.

MERCHANTVILLE-PENNSAUKEN WATER COMMISSION



Ronald S. Johnson, Member & Secretary to MPWC

Date _____