

Sample Employer Resolution for the Employee Benefit Trust

Action Item

Authorize the Administration to establish an Employee Benefit Trust in the name of the Employer. This Trust will allow the Employer to segregate funds for future post-employment benefit obligations for purposes of fulfilling the recommendations of GASB 43/45.

Supporting Information

Master contract agreements with various Employee groups and Employer Policy currently provide for retirement benefits to eligible retirees, including continuation on the Employer's health insurance plan. These benefits had previously been funded on a pay-as-you-go basis. The Administration recognizes that these obligations need to be recognized, funded and segregated from other funds.

GASB recommends the establishment of an irrevocable Employee Benefit Trust for this purpose. Contributions by the Employer into the Trust are discretionary and can be made in any amount at any time. Deposits can be made, anticipating variations in liability, from year to year and can also provide for budget expense stabilization. Trust deposits are expenses and may be eligible for general state, categorical and special project aid.

Documents necessary to establish the Trust and Trust Administration are available at no direct cost to the Employer. The Employer may discontinue the Plan, with no penalties, by discontinuing deposits and exhausting assets for the purposes the Plan was established. The Administration will select a Plan Administrator that best provides for the interests of the Employer. It is the intent of the Administration that the Trust be implemented to accommodate deposits this and subsequent fiscal years with National Insurance Services as the provider and administered by MidAmerica Administrative & Retirement Solutions, Inc.



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