

RESOLUTION 18-33 – AUTHORIZES AMENDMENTS TO THE DELAWARE RIVER AND BAY AUTHORITY’S EMPLOYEES’ RETIREMENT PLAN

WHEREAS, the Delaware River and Bay Authority (the “Authority”) currently maintains the Delaware River and Bay Authority Employees’ Retirement Plan, Amended and Restated 2014 (the “Retirement Plan”); and

WHEREAS, pursuant to Section 8.1 of the Retirement Plan, the Authority has the right to amend the Plan pursuant to a resolution of the Commissioners of the Authority; and

WHEREAS, the Authority desires to amend the Retirement Plan; and

WHEREAS, the proposed amendment has been reviewed by the Personnel Committee and found to be appropriate; and

NOW, THEREFORE, BE IT RESOLVED, that the Delaware River and Bay Authority hereby approves the following amendment to the Retirement Plan effective September 1, 2018:

A. Current first paragraph of Section 4.3(a) of the Retirement Plan:

(a)(i) For Employees hired on or before December 31, 2014, as a condition of employment and for sharing in benefits, each Participant shall agree to contribute by payroll deduction (i) 3% of his monthly compensation, to the extent that such monthly compensation, when added to previous months’ compensation during the Plan Year is less than the Taxable Wage Base; plus, (ii) 5% of his monthly compensation, to the extent that such monthly compensation, when added to the previous months’ compensation during the plan year is greater than the Taxable Wage Base. To the extent permitted by applicable law, such Employee Contributions shall be made on a before-tax basis and, thus, shall be considered to be picked up for purposes of Code Section 414 (h)(2). No Employee Contributions will be required while a Participant is permanently disabled.

B. Replace the first paragraph of Section 4.3(a) in its entirety with the following language:

(a)(i) For Employees hired on or before December 31, 2014, as a condition of employment and for sharing in benefits, each Participant shall agree to contribute by payroll deduction 3% of his monthly compensation. To the extent permitted by applicable law, such Employee Contributions shall be made on a before-tax basis and, thus, shall be considered to be picked up for purposes of Code Section 414 (h)(2). No Employee Contributions will be required while a Participant is permanently disabled.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the proper officers and employees of the Authority are hereby authorized to execute the necessary amendments to the Retirement Plan and to take whatever action to execute whatever instruments with the advice and consent of General Counsel that may be necessary or convenient to carry out the foregoing resolution.

**RESOLUTION 18-33 AUTHORIZES AMENDMENTS TO THE DELAWARE RIVER
AND BAY AUTHORITY EMPLOYEES' RETIREMENT PLAN**

Executive Summary

Resolution: Authorizing an amendment to the Delaware River and Bay Authority Employees' Retirement Plan, Amended and Restated 2014 (the "Retirement Plan").

Committee: Personnel Committee

Committee/Board Date: September 18, 2018

Purpose of Resolution: To discontinue the additional 2% Mandatory Contribution on compensation in excess of the Taxable Wage Base as of September 1, 2018 for all employees hired on or before December 31, 2014.

Background for Resolution: The Authority finds that it is difficult to efficiently track and collect the additional 2% Mandatory Contribution that is currently required under Section 4.3(a) (i) (ii) of the Retirement Plan for employees hired on or before December 31, 2014. . Implementing an automated, systemic solution is not feasible within the current payroll system, so manual tracking and implementation is required.

Manual tracking in past years has resulted in inconsistent application leading to errors in collection of this additional 2% contribution. These errors have been corrected, and recorded by the Plan Actuary.

The additional 2% contribution does not affect the calculation of an individual Participant's Accrued Benefits under the Plan.

The proposed amendment may increase annual employer contributions to the Plan by the Authority, but the Plan's Actuary has determined that any such increase will be *de minimus*

Currently, there are only four (4) individuals at the Executive level, hired on or before December 31, 2014, whose salary may exceed the Taxable Wage Base for 2018 and subject to the additional 2% contribution. The Authority has determined that eliminating this additional contribution will not have a negative impact on the affected individuals.

Very few public or private pension plans include such a provision.

Due to the administrative burden and the relatively small number of Participants impacted by the provision it is being discontinued.