



## Agenda Item Summary Report

**Meeting Date:**  
February 9, 2026

**Submitted by:**  
Michelle Bailey Hedgepeth, Town Administrator

**Item Title: RESOLUTION 08-2026 | A resolution of the Mayor and Council of the Town of Bladensburg authorizing the town administrator to execute a contract revision with MissionSquare retirement to amend the town's 457 deferred compensation plan and provide enhanced distribution options for plan participants**

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**Work Session Item [X]**  
**Council Meeting Item [X]**

**Documentation Attached:**  
Resolution 08-2026  
MissionSquare Documents

### **Recommended Action:**

Staff recommends the approval of Resolution 08-2026, which authorizes the Town Administrator to execute the changes to the plan documents

**Background |** The Town of Bladensburg offers a **457(b) Deferred Compensation Plan** administered by MissionSquare Retirement as a voluntary, employee-funded supplemental retirement option for eligible employees. The plan supplements the Maryland State pension system and does not require employer contributions.

Recent changes in federal law and IRS guidance allow governmental 457(b) plans to offer expanded distribution and withdrawal options that provide participants with greater flexibility in addressing financial needs while maintaining the plan's tax-qualified status.

**Purpose |** The purpose of this resolution is to authorize the Town Administrator to execute a contract revision with MissionSquare Retirement to amend the Town's 457 Plan to incorporate additional, federally permitted distribution options that enhance the program for plan participants.

### **Proposed Action**

Adoption of the resolution will authorize amendments to the 457 Plan to allow, where applicable and permitted by law, the following features:

- Age 60–63 catch-up contributions
- In-service distributions beginning at age 59½
- Qualified federally declared disaster relief distributions
- Emergency expense withdrawals of up to \$1,000
- Employee self-certification for emergency expense and hardship withdrawals
- Penalty-free withdrawals related to qualifying domestic abuse circumstances
- Qualified birth or adoption distributions
- Other distributions permitted under applicable federal law

**Fiscal Impact |** There is **no fiscal impact** to the Town. The 457 Plan is 100 percent voluntary and employee-funded, and the proposed amendments do not require any additional employer contributions.

**Recommendation |** Staff recommends adoption of the resolution authorizing the Town Administrator to execute the contract revision with MissionSquare Retirement to modernize and enhance the Town’s 457 Deferred Compensation Plan.

If you have any questions regarding this matter, the Town Administrator is available to answer them.

<b>Budgeted Item:</b> Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] <b>Budgeted Amount:</b> \$ <b>One-Time Cost:</b> NA <b>Ongoing Cost:</b>	<b>Continued Date:</b>
<b>Council Priority:</b> Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ]	<b>Approved Date:</b>