

Montgomery City Council
AGENDA REPORT

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| Meeting Date: July 08, 2025 | Budgeted Amount: N/A |
| Department: Administration | Prepared By: Ruby Beaven |

Subject

Consideration and possible action on a Resolution of the City of Montgomery, Texas, adopting the Nationwide Deferred Compensation Plan; and Further providing for effective date, severability, and finding and determining that the meeting at which this resolution is adopted was open to the public, that the public notice of time, place, and the subject matter of the public business to be considered was posted as required by law.

Recommendation

Staff recommend approval of the Resolution to adopt the Nationwide Deferred Compensation Plan.

Discussion

A 457 deferred compensation plan is designed to supplement an employee's retirement income. This is a voluntary program; employees choose whether they want to participate, and employees choose their levels of contribution that are made pre-tax. Unlike other retirement accounts, participants do not have to qualify for an exception to avoid the 10% IRS penalty tax on withdrawals before age 59½.

There is no direct cost to the City. The City may see slight savings because the employees' contributions are made pre-tax, reducing the City's payroll tax liability.

A 457 deferred compensation plan would be a benefit for City employees. There is no cost to the City of Montgomery to participate.

Approved By

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| City Administrator | Brent Walker | Date: 07/01/2025 |
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