

TOWN OF HERNDON - ADMINISTRATIVE REGULATIONS

Effective Date: July 1, 2001

Administrative Regulation: 1- 40

Revision Date: July 1, 2011

Supersedes: July 1, 2008

Approved By: Arthur A. Anselene



SUBJECT: Deferred Compensation Cash Match Program

I. Purpose

The Town of Herndon Cash Match Program is an employer-paid cash match program for qualified employees who are making contributions to the Deferred Compensation Plan. It is intended to be a defined contribution plan within the meaning of the Internal Revenue Code Section 401(a).

II. Employees Covered

A qualified employee is a regular status part-time or full-time employee who is making contributions to the Deferred Compensation Plan.

III. Policy

The town's match amount is \$5.00 per pay period.

The program provides for the following benefits:

- A. Eligible employees are automatically enrolled in the Cash Match Program so there is no need to complete an enrollment application.
- B. Employees do not pay federal or state income tax on employer contributions and any investment earnings until receiving the money from their account.
- C. Account balances are 100 percent vested.

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Town Manager