

**NATIONAL EXECUTIVE COMMITTEE  
OF  
THE AMERICAN LEGION  
Indianapolis, Indiana  
October 12-13, 1988**

**Resolution No. 8: To Establish a Reserve Trust for The American Legion Retirement Plan  
for Employees of The National Headquarters and Subordinate Groups Thereof**

**Origin: Finance Commission**

**Submitted by: Finance Commission**

WHEREAS, Internal Revenue Service Guidelines for actuaries mean that The American Legion cannot continue to contribute to The American Legion Retirement Plan for employees of the National Headquarters and Subordinate Groups Thereof (hereinafter The Plan) without running the risk of paying a 30% tax penalty; and

WHEREAS, In the opinion of The American Legion the Internal Revenue Service Guidelines are not consistent with prudent and careful management of The Plan or the fiduciary responsibilities of The American Legion, and such Guidelines will in the opinion of The American Legion, force The Plan into an underfunded condition in the foreseeable future, which condition will required payment of premiums to the Pension Benefit Guaranty Corporation which increase drastically for underfunded plans; and

WHEREAS, Indiana National Bank is Trustee for The Plan and has done a very creditable job in overseeing the funds of The Plan; and

WHEREAS, The National Finance Commission has reviewed and recommends to the National Executive Committee the formation of a Reserve Trust to insure that funds will be available to adequately fund The Plan; now, therefore, be it

**RESOLVED, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, on October 12-13, 1988, That The American Legion shall establish a Reserve Trust to which the contributions recommended by the actuaries for The American Legion Retirement Plan for employees of the National Headquarters and Subordinate Groups Thereof (hereinafter The Plan) may be made during the periods when the Internal Revenue Service Guidelines prevent contributions direct to The Plan by causing the contributions to The Plan to become subject to tax penalties; and, be it further**

**RESOLVED, That the contributions and income earned thereon shall be paid into the Retirement Plan Trust as soon as this can be accomplished without a tax penalty; and, be it further**

**RESOLVED, That said Reserve Trust shall be open for contributions from Subordinate Groups who are members of The Plan whenever the Internal Revenue Service Guidelines prohibit such contributions unless the contributions of The Plan becomes subject to tax penalties; and, be it further**

**RESOLVED, That Indiana National Bank shall be the Trustee for said Reserve Trust; and, be it further**

**RESOLVED, That the investment guidelines shall be the same as the investment guidelines established for The Plan; and, be it further**

**RESOLVED, That The American Legion is authorized to enter into such agreements with Indiana National Bank as Trustee to accomplish the purpose and intent of this resolution; and, be it finally**

**RESOLVED, That after review and approval of said documents by the National Judge Advocate, the National Commander be and he is hereby authorized and directed to execute such documents and the National Adjutant be and he is hereby authorized and directed to attest same.**