NATIONAL EXECUTIVE COMMITTEE
OF
THE AMERICAN LEGION
Indianapolis, Indiana
October 14-15, 1987

Resolution No. 40: Revision of The American Legion Retirement Plan for Employees of National Headquarters and Subordinate Groups Thereof
Origin: Finance Commission
Submitted by: Finance Commission

WHEREAS, The Congress of the United States has passes a law which is referred to as The Tax Reform Act of 1986 or sometimes the Internal Revenue Code of 1986 (hereinafter referred to as The Act); and

WHEREAS, The act affects all qualified Employee Benefit Plans and makes amendments to various provisions of the Employee Retirement Income Security Act of 1984 (hereinafter referred to as ERISA); and

WHEREAS, Pursuant to the enactment of The Act certain provisions must be changed by each retirement and benefit plan possibly applicable to the benefit year starting on or after January 1, 1987, as is specified by The Act; and

WHEREAS, The American Legion Retirement Plan for Employees of the National Headquarters and Subordinate Groups thereof require extensive revision and restatement in order to be in full compliance with The Act and ERISA as amended; and

WHEREAS, The Retirement Committee has been advised that certain technical amendments and definitions are advisable to comply with Internal Revenue Service Regulations and improve administration; and

WHEREAS, The National Retirement Committee has recommended to the National Finance Commission certain improvements in the benefits and the National Finance Commission has determined that effective January 1, 1988, improvement of the benefit formula, 35% of Monthly Plan Compensation for 15 years of Benefit Service in excess of 25 years is warranted which changes can be made at no additional cost to The American Legion or participating groups; and

WHEREAS, The National Retirement Committee of The American Legion has recommended to the National Finance Commission that an increase in benefits should be granted to all employees retired under The American Legion Retirement Plan for Employees of the National Headquarters and Subordinate Groups thereof by reason of the fact that there has been no increase for such retirees since January 1, 1984; and

WHEREAS, The National Finance Commission of The American Legion after having received the recommendation of the National Retirement Committee unanimously endorses the recommendation of the National Retirement Committee to increase the present annuity pensions of the retiree; and

WHEREAS, The National Finance Commission recommends to the National Executive Committee that all employees retired under The American Legion Retirement Plan as of January 1, 1988, be granted an increase in their pension annuity benefits based upon the following formula:

(a) Any employee who has been retired for less than five (5) years as of January 1, 1988, would receive a 5% increase in pension
(b) Any employee who has been retired for more than five (5) years as of January 1, 1988, would receive an increase of 5% plus an additional 1% for each year in excess of five (5); and

WHEREAS, The American Legion Retirement Plan for Employees of the National Headquarters and Subordinate Groups thereof was approved and adopted by the National Executive Committee in November 1944, and amended in June, 1946, May, 1954, October 1954, October 1975, May 1983 May, 1985 and October, 1986; and

WHEREAS, It is advisable to bring The American Legion Retirement Plan for Employees of the National Headquarters and Subordinate Groups thereof into compliance with The Act and ERISA as amended; now, therefore, be it

RESOLVED, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, on October 14-15, 1987, That the National Judge Advocate be and he is hereby authorized and directed to draft any and all amendments to The American Legion Retirement Plan for Employees of the National Headquarters and Subordinate Groups thereof necessary to comply with The Act and make technical and other amendments for the benefit year beginning on or after January 1, 1987; and, be it further

RESOLVED, Effective January 1, 1988, that the benefits provided by The American Legion Retirement Plan for Employees of the National Headquarters and Subordinate Groups thereof be improved to 35% of Monthly Plan Compensation for 15 years of benefit service plus 1% of Monthly Plan Compensation for each of the next 10 years of Benefit Service plus ½ % of Monthly Plan Compensation for each of Benefit Service in excess of 25 years, and thereafter to submit the Plan as amended to the appropriate government agency or agencies for approval of the Plan as amended; and, be it further

RESOLVED, That all employees retired under The American Legion Retirement Plan for Employees of the National Headquarters and Subordinate Groups thereof, as of January 1, 1988, be granted an increase in their retirement annuity based upon the following formula:

(a) Any employee who has been retired for less than five (5) years as of January 1, 1988, would receive a 5% increase in pension

(b) Any employee who has been retired for more than five (5) years as of January 1, 1988, would receive an increase of 5% plus an addition 1% for each year in excess of five (5); and, be it finally

RESOLVED, That the National Commander be and he is hereby authorized and directed to execute any and all documents presented to him by the National Judge Advocate in connection with the revision of The American Legion Retirement Plan for Employees of the National Headquarters and Subordinate Groups thereof and the National Adjutant be and he is hereby authorized and directed to attest the same.