

**BEAVER CREEK TOWNSHIP
ORDINANCE #21
DEFERRED COMPENSATION PLAN**

Section 1

Pursuant to the authority granted by law, the Township of Beaver Creek hereby establishes a Deferred Compensation Plan under Section 457 of the Internal Revenue Code of 1954, as amended, whereby an officer or employee of the Township may be eligible to defer that individual's compensation or a portion thereof for the purpose of providing for the payment of said compensation in a different manner and at a different time thereby more effectively providing for said officer's or employee's retirement or death, and to defer Federal and State income tax liability on said deferred compensation to the time of receipt by said officer or employee or said individual's beneficiary.

**SECTION 11
ELIGIBLE INDIVIDUALS**

All Township officers and employees who perform services for the Township for 25 hours per week or more on a regular basis shall be eligible to participate in the Deferred Compensation Plan established pursuant to this ordinance and may elect to participate in the plan by entering into a written deferred compensation agreement in such form as the Township Board shall establish.

**SECTION III
IMPLEMENTATION, ADMINISTRATION
AND INTERPRETATION OF THE PLAN**

In order to implement the Deferred Compensation Plan, the Township Board may enter into a contract(s) with an insurance company authorized to do business with the State of Michigan to provide for the administration of the Deferred Compensation Plan. The Township Board shall have full power and authority to adopt rules and regulations for the administration of the Deferred Compensation Plan and may, in its discretion, adopt the said rules and regulations. However, to the extent that any rules and regulations adopted, interpreted, altered, amended, or revoked by the Township Board shall be inconsistent with the provisions of this Ordinance, the provisions of this Ordinance shall supercede said rules and regulations.

**SECTION IV
TAX RAMIFICATIONS**

The Deferred Compensation Plan and agreements provided for by this Ordinance are intended to comply with Section 457 of the Internal Revenue Code of 1954, as amended, pertaining to Deferred Compensation Plans of State and local governments. Any provision contained in this Ordinance, which causes deferred compensation to be taxed prior to receipt thereof, shall be deemed to be null and void. However, no guarantee is given to any office or employee of Beaver Creek Township or to beneficiaries of such individuals, as to the taxable status of any amounts of compensation deferred under the Deferred Compensation Plan established pursuant to this Ordinance and Beaver Creek Township assumes no responsibility to any officer or employee of the Township or to any beneficiary of such individual in the event of any adverse tax determination. Any provision of the Deferred Compensation Plan, or agreements made hereunder, or any Township rules or regulations adopted pursuant to this Ordinance which are contrary to the Internal Revenue Code of 1954, as amended, or regulations adopted hereunder, shall be deemed to be superceded by such Internal Revenue Code of 1954, as amended, or regulations adopted hereunder.

**SECTION V
SEVERABILITY**

This Ordinance and the various parts, sections, subsections, provisions, sentences and clauses are severable. If any part of this Ordinance is found to be unconstitutional or invalid, it is declared that the remainder of this Ordinance shall not be affected thereby.

**SECTION VI
RATIFICATION OF EXISTING DEFERRED COMPENSATION PLAN**

The Township of Beaver Creek hereby ratifies and confirms the validity of any deferred compensation plan in existence on the effective date of this Ordinance.

**SECTION VII
EFFECTIVE DATE AND REPEAL OF INCONSISTENT ORDINANCES**

This Ordinance shall become effective immediately upon publication. Any Ordinance or parts of Ordinances inconsistent herewith shall be deemed to be repealed by this Ordinance and shall be of no further force and effect.

Motion by Mobarak and seconded by Hartman to adopt Ordinance #21 as presented. Ayes: Riley, Balmes, Hartman, Mobarak and Little. Nays: 0

Date of Adoption: 8/12/02

Date of Publication: