

**LAKE TOWNSHIP
ROSCOMMON COUNTY, MICHIGAN
DEFERRED COMPENSATION PLAN
ORDINANCE NO. 26 – AMENDED**

At a meeting of the Township Board of Lake Township, Roscommon County, Michigan, held at the Lake Township Hall on May 14, 2019, at 7:00 p.m., Township Board member Dave Emmons moved to adopt the following Ordinance, which motion was seconded by Township Board Member Harry Trier.

LAKE TOWNSHIP HEREBY ORDAINS:

Pursuant to the authority granted by MCL 41.110b, Lake Township hereby establishes a Deferred Compensation Plan under the authority granted by any and all applicable Section of the Internal Revenue Code of 1954, as amended, that authorizes Deferred Compensation Plans for local units of governments, including but not limited to Sections 457 or 401(a) of the Internal Revenue Code of 1954, as amended, whereby a Township Board Member or an eligible employee of Lake Township may 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 Township Board member's or eligible 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 Township Board member or eligible employee or said individual's beneficiary.

SECTION I - TITLE

This Ordinance shall be known and cited as the "Lake Township Deferred Compensation Ordinance No. 26 - Amended."

SECTION II - ELIGIBLE INDIVIDUALS

All Township Board members shall be eligible and all employees who perform services for the Township for 1560 hours annually 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 in 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 provisions of a contract entered into

pursuant to this Section as 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 supersede said rules and regulations.

SECTION IV - CONTRIBUTIONS

Lake Township agrees to contribute to each participant's plan a percentage of the participant's compensation, to be determined annually by the Township Board, however such contribution shall not be less than or greater than that permitted by the Internal Revenue Code of 1954, as amended.

SECTION V - TAX RAMIFICATIONS

The Deferred Compensation Plan and agreements provided for by this Ordinance are intended to comply with those Sections of the Internal Revenue Code of 1954, as amended, that applies to Deferred Compensation Plans of local units of government. Any provision contained in this Ordinance which causes deferred compensation to be taxed prior to receipt thereof shall be deemed null and void. However, no guarantee is given to any Township Board member or employee of the Lake 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 Lake Township assumes no responsibility to any Township Board member 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 there under, shall be deemed to be superseded by such Internal Revenue Code of 1954, as amended, or regulations adopted there under.

SECTION VI - RATIFICATION OF EXISTING DEFERRED COMPENSATION PLAN.

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

SECTION VII - 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 VIII - EFFECTIVE DATE AND REPEAL OF INCONSISTENT ORDINANCES

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

YEAS: (5) Klahn, Clare, Trier, Farhat, Emmons

NAYS: (0) – None

ABSENT/ABSTAIN: (0) – None

ORDINANCE DECLARED ADOPTED.

DAVID EMMONS, LAKE TOWNSHIP SUPERVISOR

Adopted May 14, 2019 Published May 30, 2019. Effective May 30, 2019.