



SNOHOMISH COUNTY COUNCIL  
SNOHOMISH COUNTY, WASHINGTON

ORDINANCE NO. 05-046

RELATING TO DEFERRED COMPENSATION FOR EMPLOYEES;  
AMENDING SNOHOMISH COUNTY CODE CHAPTER 3.34

BE IT ORDAINED:

Section 1. Snohomish County Code Section 3.34.020, last amended by Ordinance No. 02-085 on December 18, 2002, is amended to read:

3.34.020 Definitions.

As used in this chapter, the following terms shall have the meanings set forth below:

- (1) "County" means Snohomish county, state of Washington.
- (2) "Plan" means the Snohomish County Deferred Compensation Plan described and established in this chapter.
- (3) "Participant" means an employee who meets the eligibility requirements of SCC 3.34.040 and applies for participation in accordance with the provisions of SCC 3.34.050.
- (4) "Beneficiary" means an alternate payee of the participant and the person or entity designated by the participant to receive the ((participant's)) unpaid benefit to which the participant is entitled under the plan and the terms of the investment(s) in the event of the participant's death.
- (5) "Separation from service" means the employee has resigned, been laid off or terminated. If there is a reasonable anticipation or reasonable cause to believe the employee will be returned to work for the county within two months, the cessation from work will not be a separation from service.
- (6) "Compensation" means all payments made by the employer to an employee as remuneration for services rendered to the employer, including salaries and fees.
- (7) "Normal retirement age" means any age of which a participant has the right to retire under any one of the state of Washington retirement systems' pension plans and to receive immediate retirement benefits without actuarial or similar reduction because of retirement before some later age in the state retirement basic pension plan.

(8) "Employee" means any person who is employed by and receives any type of compensation from the employer for services rendered to the employer, specifically including salaried employees of the employer. An individual who is not treated by the employer as an employee for payroll tax purposes during the period that he or she performs services for the employer, will not be treated as an employee for such period.

(9) "Employer" means Snohomish County, or any of its agencies or departments for which services are performed by a participant.

(10) "Investment" means the investment funds or products authorized by the committee for the investment of participant accounts.

(11) "Committee" means the deferred compensation plan committee.

(12) "Qualified domestic relations order" means a qualified domestic relations order as defined in IRS Code Section 414(p) and made pursuant to the laws of the State of Washington.

(13) "Alternate payee" means any spouse, former spouse, child or other dependent of a participant who is recognized by a qualified domestic relations order as having a right to receive all, or a portion of, the benefits payable under the plan with respect to the participant.

Section 2. Snohomish County Code Section 3.34.050, last amended by Ordinance No. 02-085 on December 18, 2002, is amended to read:

3.34.050 Participation.

(1) An eligible employee may become a participant by executing a participation agreement and filing such participation agreement with the committee or its designee during an open change period. Such deferred amount shall hereinafter be referred to as "deferred compensation" and, except for distributions to alternate payees permitted under the plan and the terms of a qualified domestic relations order, shall only be paid to the employee (~~((or))~~) and his or her (~~((designated beneficiary in case of death))~~) beneficiaries at retirement, separation from service, death or upon the proven occurrence of an unforeseeable emergency as defined in IRS Code Section 457 and the regulations promulgated by the internal revenue service.

(2) The participation agreement may only be entered into during an open change period. Other changes in the agreement may be allowed only as provided in the plan.

Section 3. Snohomish County Code Section 3.34.090, last amended by Ordinance No. 02-085 on December 18, 2002, is amended to read:

3.34.090 Distribution of benefits.

(1) Eligibility for and payment of benefits shall be governed by the provisions of the plan and shall be consistent with the applicable provisions of the Internal Revenue Code, the terms of the plan documents, and the terms of the investments.

(2) A participant's benefit under the plan shall be distributed (or commence to be distributed) to the participant and his or her beneficiaries at such time as the participant may elect in accordance with and subject to the terms of any qualified domestic relations order to which the participant is a party and such rules as the committee or the investment(s) may establish; provided, however, that except for unforeseeable emergency withdrawals and distributions to alternate payees under the terms of a qualified domestic relations order permitted under the plan, distributions from the plan may not be made to the participant or his or her beneficiaries earlier than (a) the calendar year in which the participant attains age 70½, or (b) the participant's severance from employment with the employer.

(3) Benefits shall be paid in accordance with the payment option elected by the participant ~~((, as provided by))~~ subject to the terms of the Investment(s) and the terms of any qualified domestic relations order to which the participant is a party. If a participant dies before the benefits to which the participant is entitled to under the plan have been exhausted, the remainder of such benefits will be paid to the participant's designated beneficiary in accordance with the terms of the investment(s) and the plan documents.

(4) A participant may elect a direct rollover distribution to an eligible retirement plan, in a manner prescribed by the committee, in accordance with the terms of the investment(s), the IRS Code, and the plan documents.

(5) As defined by the plan documents, and approved by the committee, a participant or beneficiary may request a distribution from the plan due to an unforeseeable emergency, subject to the terms specified by the investment(s) in accordance with IRS Code.

Section 4. Snohomish County Code Section 3.34.110, last amended by Ordinance No. 02-085 on December 18, 2002, is amended to read:

**3.34.110 Rights of participants.**

Each employee, upon having elected to become a participant, shall be deemed to have assented to the terms and conditions of the plan. The participant may not sell, assign or hypothecate any part of his or her account under the plan. Nor shall his or her contractual rights be subject to attachment by any creditor. A participant's contractual rights, however, may be assigned to an alternate payee as a beneficiary of the participant under the terms of a qualified domestic relations order. Each participant shall at all reasonable times be allowed to examine his or her particular deferred compensation account to determine its status and condition, and the county shall submit to the participant periodic reports of the progress of his or her particular account.

PASSED this 13<sup>th</sup> day of July, 2005

ATTEST:

SNOHOMISH COUNTY COUNCIL  
Snohomish County, Washington

Barbara Sikorst  
Clerk of the Council, Asst.

[Signature]  
Chairperson

- APPROVED
- EMERGENCY
- VETOED

DATE: 7/15/05

ATTEST:

[Signature]

[Signature]  
County Executive

Approved as to form only:

[Signature]  
Deputy Prosecuting Attorney

GARY WEIKEL  
Deputy Executive

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