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EXECUTIVE OFFICE

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County Council

SNOHOMISH COUNTY, WASHINGTON



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AMENDED
ORDINANCE NO. 84-120

W.T. _____ K.B. _____
T.C. _____ S.W. _____
G.L. D.J. _____

PROVIDING PLAN FOR DEFERRED COMPENSATION FOR COUNTY
EMPLOYEES; REPEALING SNOHOMISH COUNTY CODE CHAPTER 3.34;
ADDING NEW CHAPTER 3.34

BE IT ORDAINED:

Section 1. Snohomish County Code Chapter 3.34, adopted
by a resolution passed June 23, 1975, is repealed.

New Section. Section 2. A new chapter is added to the
Snohomish County Code as follows:

Chapter 3.34

DEFERRED COMPENSATION FOR EMPLOYEES

Sections:

- 3.34.010 Authority
- 3.34.020 Definitions
- 3.34.030 Administration
- 3.34.040 Eligibility to Participate
- 3.34.050 Participation
- 3.34.060 Deferral Limitations/Maximums
- 3.34.070 Allocation of Deferred Salary
- 3.34.080 Report on Status of Plan
- 3.34.090 Payment of Benefits
- 3.34.100 Responsibilities of the County
- 3.34.110 Rights of Participants
- 3.34.120 Termination or Amendment
- 3.34.130 Severability

3.34.010 Authority. RCW 41.04 authorizes public
employers of the state to contract with their employees to
defer a portion of the employees' income to be deposited or
invested in a credit union, savings and loan association,
bank, mutual savings bank, or purchase life insurance,
shares of an investment company or fixed and/or variable
annuity contracts for the purpose of funding a deferred
compensation program for employees.

Based on the foregoing, the County Executive is hereby
authorized to establish an optional deferred compensation
plan for county employees.

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 Voluntary Salary Deferral 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) "Terminated participant" means a participant who has
terminated employment with Snohomish County who retains an
account balance in any one or all of the investment funds
offered within the plan.

(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) "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 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, but in no event later than age 70 1/2. In the case of a participant who continues to work beyond the ages specified in this sub-section, the normal retirement age shall be that date or age designated by the participant, but such date or age shall not be later than the date or age at which the participant separates from service with the county.

(7) "Committee" means the Deferred Compensation Plan Committee.

~~3.34.030~~ Administration.

(1) The deferred compensation plan authorized by this chapter shall be administered by the Committee which shall consist of, the director of the Department of Finance, the director of the Department of Personnel and the County Prosecuting Attorney or his designee.

(2) The committee shall have the power and authority to adopt rules and regulations for the administration of the plan consistent with this chapter.

(3) The committee is authorized to contract with any person to provide any services for the administration of the plan including but not limited to processing of employee participation agreements, maintenance of participants' records and selection of investment media pursuant to the requirements and procedures of Chapter 3.04 SCC.

(4) The committee members, if otherwise eligible, shall be eligible to participate in the plan provided that they shall not be entitled to make decisions solely with respect to their own participation. The County Council shall determine the following for committee members:

A. Open enrollement periods which shall be held at least once per year.

B. Requests to modify agreements and to withdraw funds subject to the guidelines contained in subsection (5) B of this section.

(5) The duties of the committee shall include the following:

A. To determine the appropriate open enrollment periods, which shall be held at least once per year.

B. To rule on employee requests to modify agreements and to withdraw funds with the following considerations as guidelines:

1. IRS Code Section 457 and Treasury Regulations which limit and restrict withdrawals.

2. Administrative costs to the county or its agents.

3. Impact on the overall status of the plan, financial and otherwise.

(6) The committee shall, on a periodic basis, compare the plan being offered to county employees with those available from other agents or companies, and make plan modifications or changes when appropriate.

~~3.34.040~~ Eligibility to Participate. Every permanent full time and permanent part time employee of the county who is a bona fide resident of the State of Washington is eligible for participation in this plan. Eligibility to defer salary, however, shall terminate upon separation from service. All compensation paid under this plan shall be paid pursuant to SCC 3.34.100.

~~3.34.050~~ Participation.

(1) An eligible employee may become a participant by executing with the county a Voluntary Salary Deferral Agreement as required by the Plan shall set forth the employee's amount of deferred salary. Such deferred amount shall hereinafter be referred to as "deferred salary" and shall only be paid to the employee (or his or her designated beneficiary in case of death) 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 Voluntary Salary Deferral Agreement may only be entered into during an open enrollment period. Other changes in the agreement may be allowed as provided in the Plan.

~~3.34.060~~ Deferral Limitations/Maximums. The annual maximum amount of salary which may be deferred and the allowance of catch up contributions shall be determined by the provisions of the Internal Revenue Code.

~~3.34.070~~ Allocation of Deferred Salary. A separate bookkeeping account shall be maintained for each participant in the plan, to which shall be credited during the year, at such times as shall be prescribed by the county, an amount equal to the participant's deferred salary with respect to that year. Such account shall be known as the participant's deferred salary account. The participant's deferred salary account shall be credited or debited from time to time to reflect gains or losses which would have been realized had the amounts credited to his or her individual deferred salary account been combined with the individual deferred salary accounts of other participants of the plan and actually invested in securities selected from time to time by the county and the participant.

~~3.34.080~~ Report on Status of Plan. The committee shall prepare and present to the County Council an annual report covering the period of January through December on the

status of the Plan which shall include, at a minimum, the total number of participants and the total deferred compensation of the participants.

3.34.090 Payment of Benefits. 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.

3.34.100 Responsibilities of the County.

(1) The county may not warrant any tax benefits or advantages under the plan.

(2) The county shall be exonerated and held free from any liability of any kind hereunder if decisions or actions taken by the county are in good faith.

(3) Nothing in this chapter shall in any way affect the rights of the county or the employees to terminate the employment relationship between them, nor shall it create a trust fund for the employee or otherwise make him or her equitable owner of any assets the county may invest to meet its obligations under the plan.

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 subject to attachment by any creditor. Each participant shall at all reasonable times be allowed to examine his or her particular deferred salary 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.

3.34.120 Termination or Amendment. The county may terminate the plan at any time. Upon termination, the plan shall continue in operation but without any further crediting of deferred salary. The county may amend the plan at any time, provided that no such amendment shall with respect to any participant reduce such benefits provided hereunder as are derived from deferred salary credited to him or her prior to the effective date of any such amendment.

3.34.900 Severability. If any provision of this chapter, or its application to any person or circumstance is held invalid, the remainder of the chapter or the application of the provisions to other persons or circumstances is not affected.

Dated October 17, 1984

Donald J. Britton
Chairman

ATTEST:
Ullie Snyder
Clerk of the Council

ATTEST:
Willie Colwell

[Signature]
Deputy County Executive

() APPROVED () VETOED

() EMERGENCY Date Oct. 22, 1984

PUBLISHED _____ and _____

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