

**TOWNSHIP OF WASHINGTON
FRANKLIN COUNTY, PENNSYLVANIA**

ORDINANCE NO. 249

**AN ORDINANCE OF THE TOWNSHIP OF WASHINGTON
AMENDING CERTAIN PROVISIONS OF THE “DEFERRED
COMPENSATION PLAN” BY PROVIDING FOR
ROTH ELECTIVE DEFERRALS**

WHEREAS, Township of Washington (the “Township”) has previously enacted Ordinances establishing and amending the Township of Washington Police Pension Plan and the Township of Washington Non-Uniformed Employees’ Plan & Trust (the “Plans”); and

WHEREAS, one of the Amendments, Ordinance No. 208 provided for a “Deferred Compensation Plan” as a distinct subpart of the Township of Washington Police Pension Plan and Non-Uniformed Employees’ Plan & Trust; and

WHEREAS, the Township of Washington desires to separate the “Deferred Compensation Plan” from the Police Pension Plan and the Non-Uniformed Employees Plan & Trust; and

WHEREAS, the Township also desires to amend the “Deferred Compensation Plan” by providing for Roth Elective Deferrals.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Township Supervisors and it is hereby ordained and enacted by the authority of the same:

Section 1 – The “Deferred Compensation Plan” adopted by Ordinance No. 208 as a distinct subpart of the “Township of Washington Police Pension Plan” and the “Township of Washington Non-Uniformed Employees’ Pension Plan” is hereby separated from said plans and adopted as its own plan.

Section 2 – All employees of the Township of Washington, including, but not limited to, employees of the police department that are eligible to

participate in the “Deferred Compensation Plan” under Ordinance No. 208 shall continue to be eligible to participate in the “Deferred Compensation Plan”.

Section 3 – The official name of the “Deferred Compensation Plan” shall be the “Township of Washington Deferred Compensation Plan”.

Section 4 – The “Township of Washington Deferred Compensation Plan” shall be amended by adding the provisions as set forth in the attached Exhibit “A”. The intention of the amendment is for the “Township of Washington Deferred Compensation Plan” to provide for Roth Elective Deferrals.

Section 5 – The proper officers and agents of the Township are hereby empowered to take all such actions consistent with this ordinance including execution of such forms and instruments as Security Benefit Group may require.

Section 6 – Any employee deferral made to the “Township of Washington Deferred Compensation Plan” shall be considered as Compensation under the Plan in the determination of benefits (and Participant contributions) and, to the extent necessary, the Plan is hereby amended.

Section 7 – To the extent permitted by law, the “Township of Washington Deferred Compensation Plan” shall incorporate Internal Revenue Code Section 457 mandatory amendments made in the future. In addition, any future amendments to the Police Pension Plan, the Non-Uniformed Employee Pension Plan or the Deferred Compensation Plan may be made by Resolution of the Township of Washington Board of Supervisors.

Section 8 – Chapter 56 of the Code of the Township of Washington is hereby amended by adding the following”

“ARTICLE III
Township of Washington Deferred Compensation Plan

§ 56-3. Adoption by reference.

The original ordinance adopting the Deferred Compensation Plan” and any amendments to said ordinance are hereby adopted by reference.”

Section 9 – Severability. If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held to be invalid or unconditional by any Court of competent jurisdiction, such portion shall be deemed as a separate, distinct and independent provision, and such portion shall not affect the validity of the remaining portions hereof.

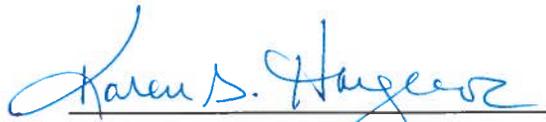
Section 10 – Repeal and Effect of this Ordinance. The provisions of this ordinance, shall only amend and/or affect the “Township of Washington Police Pension Plan, Township of Washington Non-Uniformed Employees’ Pension Plan” and the Township of Washington Deferred Compensation Plan.” The sections of these ordinances not amended by this ordinance shall continue in force after the enactment of this ordinance and such provisions shall date from the date of the adoption of the prior ordinance enacting same. All such provisions not affected by this ordinance are hereby continued in full force and effect and are hereby reaffirmed as to their adoption by the Board of Supervisors of the Township of Washington, and it is the intention of said Board of Supervisors that such provisions are hereby reenacted and reaffirmed. Only such provisions as this ordinance expressly amends shall be deemed repealed and only changed provisions in this Ordinance shall be deemed to be enacted from the effective date of this ordinance.

Section 11 – Effective date. This Ordinance shall take effect five (5) days after enactment.

DULY ENACTED AND ORDAINED, this 15th day of September, 2014, by the Board of Supervisors of the Township of Washington, Franklin County, Pennsylvania, in lawful session duly assembled.

ATTEST:

TOWNSHIP OF WASHINGTON
BOARD OF SUPERVISORS


Karen S. Hargrave, Secretary

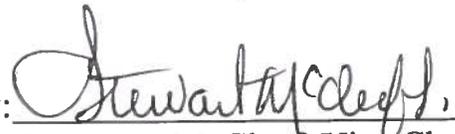
By: 
C. Stewart McCleaf, Vice Chairman



Exhibit "A"

ROTH 457 AMENDMENT SMALL BUSINESS JOBS ACT OF 2010 ("SBJA")

ARTICLE I PREAMBLE

- 1.1 **Adoption and effective date of amendment.** This amendment of the Plan is adopted to reflect amended Code Section 402A, as enacted by the Small Business Jobs Act of 2010 ("SBJA"). This amendment is intended as a good faith compliance with the requirements of the Act and guidance issued thereunder, and shall be interpreted in a manner consistent with such guidance. The amendment shall be effective as of the date indicated below.
- 1.2 **Employer's Election.** As of the effective date, the Employer adopts the provisions as elected under Article II. These provisions will remain in effect until a document incorporating the provisions of "SBJA" is adopted or if the provisions become obsolete.
- 1.3 **Supersession of inconsistent provisions.** This amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this amendment.

ARTICLE II ADOPTION AGREEMENT ELECTIONS

- 2.1 **Effective Date.** Roth Elective Deferrals are permitted under the Plan as of January 1st, 2014. (Enter a date no earlier than January 1, 2011).
- 2.2 **Unforeseeable Emergency.** A Participant may receive a distribution from their Roth Elective Deferral account in the event of an unforeseeable emergency.

ARTICLE III ROTH ELECTIVE DEFERRALS

- 3.1 **Roth Elective Deferrals are permitted.** The Plan's definitions and terms shall be amended as follows to allow for Roth Elective Deferrals as of the effective date entered at 2.1, Roth Elective Deferrals shall be treated in the same manner as Elective Deferrals for all Plan purposes. The Employer may, in operation, implement deferral election procedures provided such procedures are communicated to Participants and permit Participants to modify their elections at least once each Plan Year.
- 3.2 **Elective Deferrals.** For years beginning after January 1, 2011, the term "Elective Deferrals" includes Pre-tax Elective Deferrals and Roth Elective Deferrals.
- 3.3 **Pre-Tax Elective Deferrals.** "Pre-Tax Elective Deferrals" means a Participant's Elective Deferrals which are not includible in the Participant's gross income at the time deferred and have been irrevocably designated as Pre-Tax Elective Deferrals by the Participant in his or her deferral election. A Participant's Pre-Tax Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Pre-Tax Elective Deferrals.

- 3.4 **Roth Elective Deferrals.** “Roth Elective Deferrals” means a Participant’s Elective Deferrals that are includible in the Participant’s gross income at the time deferred and has been irrevocably designated as Roth Elective Deferrals by the Participant in his or her deferral election. A Participant’s Roth Elective Deferrals will be separately accounted for, as will gains and losses attributable to those Roth Elective Deferrals. The Plan must also maintain a record of a Participant’s investment in the contract (i.e., designated Roth contributions that have not been distributed); Roth Elective Deferrals are not considered Employee Contributions for Plan purposes.
- 3.5 **Ordering Rules for Distributions.** The Administrator operationally may implement an ordering rule procedure for withdrawals from a Participant’s accounts attributable to Pre-Tax Elective Deferrals or Roth Elective Deferrals. Such ordering rules may specify whether the Pre-Tax Elective Deferrals or Roth Elective Deferrals are distributed first. Furthermore, such procedure may permit the Participant to elect which type of Elective Deferrals shall be distributed first.
- 3.6 **Corrective distributions attributable to Roth Elective Deferrals.** For any Plan Year in which a Participant may make both Roth Elective Deferrals and Pre-Tax Elective Deferrals, the Administrator operationally may implement an ordering rule procedure for the distribution of Excess Deferrals (Code Section 402(g)), and Excess Annual Additions (Code Section 415). Such ordering rules may specify whether the Pre-Tax Elective Deferrals or Roth Elective Deferrals are distributed first, to the extent such type of Elective Deferrals was made for the year. Furthermore, such procedure may permit the Participant to elect which type of Elective Deferrals shall be distributed first.
- 3.7 **Operational Compliance.** The Plan Administrator will administer Roth Elective Deferrals in accordance with applicable regulations or other binding authority not reflected in this amendment. Any applicable regulations or other binding authority shall supersede any contrary provisions of this amendment. Total contributions to the Elective Deferral account will not exceed the annual deferral limit plus any applicable catch-up provision.