

**SUMMARY OF ORDINANCE NO. 42
TO AMEND CHARTER TOWNSHIP OF WATERTOWN'S
RETIREMENT PLAN**

This is a summary of the ordinance changes; a true copy of the ordinance can be inspected or obtained at the Township Hall and on the township's website: www.watertowntownship.com

Section 2-105. Plan Established. The ordinance changes it from a pension plan to a defined contribution retirement plan.

Section 2-106. Eligibility Requirements. The ordinance age and eligibility restriction of 70-1/2 years is removed and the ordinance makes all Township officials who attend at least two-thirds (2/3) of their scheduled meetings eligible for benefits.

Section 2-108. Contributions. The ordinance reduces the Township's contribution from ten to eight percent of the participant's compensation and requires the Township to match non-union employee contributions up to an additional six percent while allowing union employees the same option.

Section 2-109. Vesting. The ordinance automatically vests persons who attain the age of 85 instead of 70-1/2 years.

Section 2-110. Retirement date. The ordinance repeals section 2-110 which established the normal retirement age of 70-1/2 years.

Former Section 2-111. Distributions. Renumbered as section 2-110. Clarifies that participant benefits may be available upon disability or termination of service in addition to retirement or death and that it is a retirement plan and not a pension plan.

Former Section 2-112. Emergency withdrawals by participants. Renumbered as section 2-111. Clarifies that it is a retirement plan and not a pension plan.

Section 2-112. Loans. The ordinance added this provision to allow fully vested participants to borrow up to fifty percent (50%) of the value of their account.

Section 2-113. Existing plan. Clarifies that it is a retirement plan and not a pension plan with an effective date of January 1, 2015.

GLI/DBR-1194767

5/24/15

