

CITY OF GIG HARBOR

ORDINANCE NO. 541

AN ORDINANCE OF THE CITY OF GIG HARBOR, WASHINGTON, RELATING
TO CITY EMPLOYEE'S DEFERRED COMPENSATION PLAN.

The City Council of the City of Gig Harbor, Washington,
ORDAINS as follows:

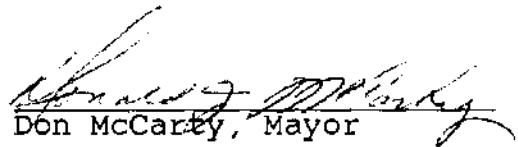
Section 1. Section 2.44.040 of the Gig Harbor Municipal Code
is hereby amended to read as follows:

2.44.040 Retirement Component. A. The city shall
adopt a deferred compensation money purchase retirement
plan as an investment vehicle that will provide
retirement income for city employees. The city shall
contribute on behalf of each participant to the
retirement plan, the amount the city would otherwise
make to social security less the cost of survivor and
disability insurance. Employees may shall contribute a
match sum from portion of their base salary equal to
the city's contribution to the retirement plan. This
contribution shall be made in compliance with the
policies and procedures of the approved plan. The city
shall then contribute a matching sum equal to the
employee's contribution, but never more than the
contribution the city would otherwise make to Social
Security less the cost of survivor and disability
insurance. The employee's contribution and the city's
contribution shall be that portion of an employee's
total compensation that is a deferred compensation.
computed based on the employee's total earnings,
including overtime and bonuses.

B. The administration of the plan shall be governed by
Internal Revenue Service rules and the policies of the
specific plan. Although the city retains proprietary
rights of the funds, the city shall authorize
disability, retirement or termination, and distribution
to survivor upon death of the employee. All permanent
employees who work at least one thousand hours per year
are eligible to participate.

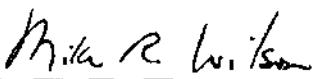
Section 2. This ordinance shall take effect and be in full
force five (5) days after its publication according to law.

PASSED by the City Council of the City of Gig Harbor,
Washington, and approved by its Mayor at a regular meeting of
the council held on this 10th day of October,
1988.



Don McCarthy, Mayor

ATTEST:



Michael R. Wilson
City Administrator/Clerk

Filed with city clerk: 9/21/88
Passed by city council: 10/10/88
Date published: 10/26/88
Date effective: 10/31/88