

**KINROSS CHARTER TOWNSHIP
ORDINANCE NO. 57**

DEFERRED COMPENSATION PLAN

Adopted May 6, 1991
Published May 13, 1991.
Effective May 13, 1991.

THE CHARTER TOWNSHIP OF KINROSS HEREBY ORDAINS:

Pursuant to the authority granted by law, the Charter Township of Kinross hereby establishes a Deferred Compensation Plan under Section 457 of the internal Revenue Code of 1954, as amended, whereby a Township Board Member or employee of the Township may be eligible to defer that individual's compensation or a portion thereof for the purpose of providing for the payment of said compensation in a different manner and at a different time thereby more effectively providing for said Township Board member's or employee's retirement or death, and to defer Federal and State income tax liability on said deferred compensation to the time of receipt by said Township Board member or employee or said individual's beneficiary.

SECTION I - TITLE

This Ordinance shall be known and cited as the "Kinross Charter Township Deferred Compensation Ordinance."

SECTION II - ELIGIBLE INDIVIDUALS

All Township Board members shall be eligible and all employees who perform services for the Township for 2080 hours annually on a regular basis shall be eligible to participate in the Deferred Compensation Plan established pursuant to this Ordinance and may elect to participate in the plan by entering into a written deferred compensation agreement in such form as the Township Board shall establish.

SECTION III - IMPLEMENTATION, ADMINISTRATION AND INTERPRETATION OF THE PLAN

In order to implement the Deferred Compensation Plan, the Township Board may enter into a contract(s) with an insurance company authorized to do business in the State of Michigan to provide for the administration of the Deferred Compensation Plan. The Township Board shall have full power and authority to adopt rules and regulations for the administration of the Deferred Compensation Plan and may, in its discretion, adopt the provisions of a contract entered into pursuant to this Section as said rules and regulations. However, to the extent that any rules and regulations adopted, interpreted, altered,

amended or revoked by the Township Board shall be inconsistent with the provisions of this Ordinance, the provisions of this Ordinance shall supercede said rules and regulations.

SECTION IV - TAX RAMIFICATIONS

The Deferred Compensation Plan and agreements provided for by this Ordinance are intended to comply with Section 457 of the Internal Revenue Code of 1954, as amended, pertaining to Deferred Compensation Plans of State and local governments. Any provision contained in this Ordinance which causes deferred compensation to be taxed prior to receipt thereof shall be deemed null and void. However, no guarantee is given to any Township Board member or employee of the Charter Township of Kinross or to beneficiaries of such individuals, as to the taxable status of any amounts of compensation deferred under the Deferred Compensation Plan established pursuant to this Ordinance and Kinross Charter Township assumes no responsibility to any Township Board member or employee of the Township or to any beneficiary of such individual in the event of any adverse tax determination. Any provision of the Deferred Compensation Plan, or agreements made hereunder, or any Township rules or regulations adopted pursuant to this Ordinance which are contrary to the Internal Revenue Code of 1954, as amended, or regulations adopted there under, shall be deemed to be superceded by such Internal Revenue Code of 1954, as amended, or regulations adopted there under.

SECTION V - SEVERABILITY

This Ordinance and the various parts, sections, subsections, provisions, sentences and clauses are severable. If any part of this Ordinance is found to be unconstitutional or invalid it is declared that the remainder of this Ordinance shall not be affected thereby.

SECTION VI - EFFECTIVE DATE AND REPEAL OF INCONSISTENT ORDINANCES

This Ordinance shall become effective immediately upon publication. Any Ordinances or parts of Ordinances inconsistent herewith shall be deemed to be repealed by this Ordinance and shall be of no further force and effect.