

**CHARTER TOWNSHIP OF WATERTOWN**

**CLINTON COUNTY, MICHIGAN**

**Ordinance No. 60**

**AN ORDINANCE TO AMEND PENSION PLAN TENURE ELIGIBILITY, VESTING AGE,  
PLAN ADMINISTRATOR, AND CLARIFIES TERMINOLOGY**

**THE CHARTER TOWNSHIP OF WATERTOWN ORDAINS:**

Article II, Division 3, Sections 2.105-2.113 hereby amends tenure eligibility, vesting age, designation of plan administrator, loan limits, frequency of contributions, and clarifies terminology and definitions in Chapter 2 of the Code of Ordinances, Charter Township of Watertown, Clinton County, Michigan.

**ARTICLE II.**

**DIVISION 3. RETIREMENT PLAN**

Sec. 2.105 Plan established.

Pursuant to Public Act No. 77 of 1989 (MCL 41.110b), the township hereby creates and establishes a defined contribution retirement plan and program for the retirement of its employees and officials and for such purposes, also hereby authorizes the township manager and the township clerk to contract, in the name of the township, subject to the approval of the township board, with any company authorized to transact such business within the state for defined contribution retirement plans. The township manager is hereby designated as the plan administrator.

Sec. 2.106 Eligibility requirements.

The defined contribution retirement plan created, established and contracted for under this division shall cover the following:

1. Dates of eligibility. Each township employee and official shall be eligible to participate in the plan upon meeting both of the following eligibility requirements as of the first day of any calendar month:
  - A. Age eligibility. The employee or official must have attained the age of 18.

Tenure eligibility. The township will begin making retirement contributions for employees or officials after 90 days of employment. Employees must have completed 12

months of employment or service to receive any of the township retirement contributions, according to the vesting schedule.

2. Service eligibility.

- A. An employee, either salaried or hourly rated, must be scheduled or working an average of 24 hours per week for a minimum of nine months of the year.
- B. All township officials who attend at least 66 percent of their scheduled meetings and perform their duties as required by statute.

Sec. 2.107 Entry dates.

- 1. Each person who meets eligibility requirements on the initial effective date of the retirement plan shall be eligible for coverage on that day. Every person who subsequently meets the eligibility requirements shall be eligible to participate on the first day of any calendar month after they meet the requirements of Section 2.106.
- 2. Any person desiring not to be covered shall give written notice to the township clerk of their desire not to be covered, and if the notice is received before the person has become covered under this plan, they shall not be covered hereunder. If the notice is received after the individual has become covered, their coverage under this plan shall cease as provided for in the contract.

Sec. 2.108 Contributions.

The township shall contribute an amount equal to eight percent of a participant's pay, salary or compensation, for qualifying employees, effective January 1, 2015, in accordance with the townships payroll policy. Such contributions shall be secured from the general fund of the township. Also, the participants are allowed to make voluntary contributions on their own behalf in excess of those made by the township. The township shall match qualifying employee contributions up to an additional six percent of the employee's pay, salary or compensation.

Sec. 2.109 Vesting.

- 1. Benefits attributable to employer contributions shall be 100 percent vested on death, total disability, or age 65.
- 2. Upon retirement or on termination of service, other than because of death, disability or attainment of age 65, such benefits shall be vested as follows:

- A. Twenty percent (not less than 20 percent) for each completed year of service, until 100 percent of vesting is achieved.
- B. For vesting purposes only, years of completed service shall not include any service on any township commissions, committees or similar service.

Sec. 2.110 Distributions.

A participant's benefit on retirement, death, disability or termination of service shall be made on the dates and according to the benefit payment options selected by the participant in accordance with contract provisions of any retirement plan adopted by the township board of trustees in compliance with the requirements of the Internal Revenue Code.

Sec. 2.111 Emergency withdrawals by participants.

Any participant shall be entitled to request distributions from the plan on account of unforeseen emergency in accordance with the rules of the Internal Revenue Code and the contract provisions of any retirement plan adopted by the township board of trustees.

Sec. 2.112 Loans.

Any participant who is fully vested shall be entitled to borrow up to fifty percent of the value of their 457 account contributions, in accordance with the contract provisions of any retirement plan adopted by the township board of trustees in compliance with the requirements of the Internal Revenue Code.

Sec. 2.113 Existing plan.

The township hereby ratifies and confirms the validity of the retirement plan with the original effective date of May 21, 2001, as last modified on January 1, 2015, and again on July 1, 2025, in existence on the effective date of this amendatory division.

Secs. 2.114 to 2.139 Reserved.

PASSED by roll call vote of the members as follows:


A roll call vote was recorded as follows:

Yes: Brokob, Biergans, Madill, Hufnagel, Cooley, Maahs, Overton,

No: None

AND ADOPTED by the Township Board this 16<sup>th</sup> day of June, 2025.

AND EFFECTIVE July 1, 2025.

  
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John Maahs, Supervisor  
Charter Township of Watertown



Carolyn Brokob, Clerk  
Charter Township of Watertown

First Reading: May 19, 2025  
First Publication: May 25, 2025 (Lansing State Journal)  
Adoption: June 16, 2025  
Final Publication: June 22, 2025 (Lansing State Journal)  
Effective Date: July 1, 2025

I, the undersigned, the duly qualified Clerk of the Charter Township of Watertown, Clinton County, Michigan DO  
HEREBY CERTIFY that the foregoing is a true and complete copy of the ordinance adopted by the Township Board  
at the date set forth above.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 16th day of June, 2025.



Carolyn Brokob, Clerk  
Charter Township of Watertown