

AN ORDINANCE ESTABLISHING GUIDELINES FOR THE CITY OF DUENWEG EMPLOYEE RETIREMENT PROGRAM COMMENCING JANUARY 1, 2006.

BE IT ORDAINED BY, the board of Aldermen of the City of Duenweg, Missouri as follows:

Section 1: Enrollment dates

- A. All employees wanting to participate must enroll on or before the first day of January.

Section 2: Eligibility

- A. Only employees that are eligible to earn a minimum of \$3,000.00 for the calendar year will be eligible.

Section 3: Contributions

- A. The City of Duenweg will contribute 2% of the eligible employee's monthly gross earnings irrespective to the employees' voluntary contributions as long as the employee is enrolled.
- B. Contribution by the employee is voluntary.
- C. Employee's contribution amount will be set at the time of enrollment and can only be altered by the employee and must be submitted in writing prior to the first day of January or the first day of July.

Section 4: Distributions

- A. Distributions from a simple IRA are subject to IRA rules. If an individual withdraws an amount from a Simple IRA during the 2 year period beginning from the initial contribution the amount is subject to the additional tax on early distributions, this additional tax is increased from 10% to 25%.

Section 5: Annual Fee

- A. The City of Duenweg will pay the annual fee of \$30.00 per employee.

Section 6: Voluntary or involuntary termination of employment

- A. This fund is a portable fund.
- B. Effective immediately upon termination of employment, the City will terminate contribution to the employees' fund. The employee will become solely responsible for maintenance and management of their individual fund, which includes the \$30.00 annual fee.

Section 7: This plan will be maintained by Edward Jones and the American Funds.

Section 8: The City's right to amend the plan.

- A. The City of Duenweg retains the right to amend the plan.
- B. Amendment of the plan will have no effect on amounts already contributed.

Passed and Approved this _____ day of _____, 2005.

Mayor, Russell Olds

Amanda Neil, City Clerk