

RESOLUTION NO. 3375

A RESOLUTION of the Port Commission of the Port of Seattle adopting a 401(a) supplemental savings plan for salaried employees.

WHEREAS, approximately 15% of the Port's salaried employees will be eligible for retirement in the next 5 years; and

WHEREAS, surveys have shown that less than 20% of Americans are confident that they will have enough money to live comfortably in retirement; and

WHEREAS, a 401(a) supplemental savings plan with a contribution match component by the Port will encourage more salaried employees to save for their retirement than the current 50% who participate in the Port's 457 Deferred Compensation Plan; and

WHEREAS, a graduated contribution and match plan will increase recognition of contributions from employees who dedicate many years of their career to the Port; and

WHEREAS, a 401(a) plan will provide accounts that pre-Medicare retirees can draw upon to pay the estimated \$6,000 annual cost of medical coverage; and

WHEREAS, a Port contributions to a supplemental savings plan for salaried employees may be comparable to Port contributions to supplemental retirement plans of more than 200 Port bargaining unit employees; and

WHEREAS, other state and local governments and private companies match employee contributions to similar voluntary retirement plans; and

WHEREAS, 401(a) accounts can be rolled over to and accept rollovers from other tax-deferred plans upon termination or retirement; and

WHEREAS, for ease of employee participation, the 401(a) plan will be administered by the Port's 457 Plan administrator and will allow employees to make their own investment decisions with the same investment options as under the 457 Plan; and

WHEREAS, effective July 1, 1999, the Department of Retirement Systems reduced by 2.9% the employer contribution rates to PERS which would provide funding for the \$1 million of the \$1.4 million cost of a 401(a) plan; and

WHEREAS, Governor Locke has included an additional reduction in the employer contribution rates to PERS in this year's budget which would provide funding for the balance of the plan;

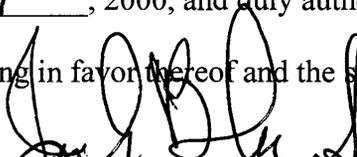
NOW, THEREFORE, BE IT RESOLVED by the Port Commission of the Port of Seattle that:

Section 1. The Port of Seattle will establish a 401(a) tax-deferred account for all post-probationary salaried employees. The Port will automatically contribute a fixed amount, based on tenure, per eligible employee per year. The Port will then match eligible salaried employee's contributions to their 457 Deferred Compensation Plan. The match will be dollar-for-dollar to a fixed maximum, based on tenure, per participant per year. The funds will be invested in a 401(a) tax-deferred account administered by the 457 Deferred Compensation Plan third party administrator.

Section 2. The fixed contribution per salaried employee for the year 2000 will be made in two installments – in July and in October, 2000. Contributions in successive years will be made quarterly. The match will begin on a pay-period basis in July, 2000. Salaried employee deferrals made in the first half of 2000 prior to the implementation of this plan will be matched

with the first transmittal of funds to the third party administrator in July. Only salaried employees still on the Port's payroll will receive this match.

ADOPTED by the Port Commission of the Port of Seattle at a regular meeting thereof, held this 6th day of April, 2000, and duly authenticated in open session by the signatures of the Commissioners voting in favor thereof and the seal of the Commission.



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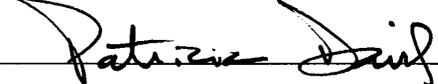
PAIGE MILLER



CLARE NORDQUIST



BOB EDWARDS



PATRICIA DAVIS

Port Commission