

form of Retirement payment designated herein as Option A at one hundred percent (100%).

c. Designation of a Beneficiary may be changed by the Participant in writing on a form provided for that purpose at any time prior to actual Retirement. Only the last such designation of a Beneficiary Prior to Retirement shall have effect and any new designation of a Beneficiary invalidates, supersedes, and revokes any prior designation.

d. Any failure by a Participant to designate a Beneficiary Prior to Retirement under the provisions of this Article VI, Section 1, or any failure of a designated Beneficiary to survive the Participant, shall preclude the payment of any benefit authorized herein.

Section 2. Death After Retirement. Upon the death of a Participant subsequent to his Retirement, there shall be payable to the Participant's designated Beneficiary, a benefit to be determined as follows:

a. If the Participant has not elected an optional form of payment, as provided in Part I, Article V, or if he has elected an optional form of payment and his designated Beneficiary does not survive him, no further payment of any kind whatsoever shall be made at the death of the Participant.

b. If the Participant has elected an optional form of payment, as provided in Part I, Article V, and his designated Beneficiary survives him, benefits shall be payable to the Beneficiary as provided in the option elected.

Section 3. Termination of Employment Before Retirement.

A Participant whose employment is terminated under any of the following conditions for any reason other than death or Retirement shall be entitled to a Vested Right in his Accrued Benefit. Payment of such Vested Retirement Benefit shall commence on the first day of the month following his Normal or Early Retirement Date at the option of the Participant and shall be payable on the first day of each month thereafter during the life of the Participant. The amount of such Monthly Retirement Benefit shall be computed in the manner prescribed for Normal or Early Retirement in Part I, Article IV herein, but based upon his Final Average Earnings and Credited Service up to the Participant's date of termination of employment with the Employer. The conditions for a Vested Retirement Benefit under this section shall be one of the following:

a. A Participant whose employment is terminated voluntarily or involuntarily shall be entitled to a Vested Benefit if he has completed a minimum of ten (10) years of Credited Service in the Plan; or,

b. A Participant whose employment is terminated involuntarily and without cause shall be entitled to a Vested Benefit if he has completed a minimum of five (5) years of Credited Service in the Plan. For the purpose of this condition, "cause" for dismissal shall mean negligence or inefficiency in performing the duties of the position held, unfitness to perform assigned duties, insubordination, or misconduct reflecting discredit on the Employer or upon the Governing Authority.

Section 4. Termination of Employment Before Retirement;
Portability.

a. A Participant whose employment is terminated either voluntarily or involuntarily for any reason other than death or Retirement after one (1) year or more of participation in the Plan, shall have a right to a Vested Retirement Benefit under the conditions set forth below. Payment of such benefit shall commence, at the option of the Participant, on the first day of the month following his Normal or Early Retirement Date as prescribed in the Plan and shall be payable on the first day of each month thereafter, provided:

(1) That his next employer and each successive employer until he qualifies for Retirement under this Plan be a JMEBS employer which maintains a JMEBS Retirement Plan with a provision on portability that is the same or substantially similar to this Section 4. Each break in employment between successive JMEBS employers shall not exceed 60 days; and,

(2) That to be entitled to any benefits under the provisions of this Plan, the Participant must meet, through his total Credited Service with all JMEBS employers prior to Retirement, the age, Service, and participation requirements for Normal or Early Retirement as provided for herein; and,

(3) That the amount of such Monthly Retirement Benefit shall be computed in the manner prescribed for Normal or Early Retirement in Part I, Article IV herein, but based on his Final Average Earnings and Credited Service up to the Participant's date of termination of employment with the Employer.

b. In the event the Participant's immediately preceding employment was with a JMEBS employer or employers, the service performed for such former employer or employers shall be used for the purpose of qualifying the Participant for Retirement under this Plan. In no event shall service with another JMEBS employer be used to calculate the benefit amount due the Participant from this Employer.

c. In the event the Employer is his final JMEBS employer and the Plan allows Delayed Retirement beyond the Normal Retirement Date, the benefit under this Article VI, Section 4, shall begin when the Participant retires and shall be computed as prescribed in Article IV, Section 3.

ARTICLE VII

ACTUARIAL EQUIVALENT CONVERSION TABLES

Section 1. Early Retirement Reduction Table.

<u>Number of Years Before Normal Retirement*</u>	<u>Percentage of Normal Retirement Benefit</u>
0	1.000
1	.933
2	.867
3	.800
4	.733
5	.667
6	.633
7	.600
8	.567
9	.533
10	.500

*Interpolate for whole months.

Section 2. Option A Tables.

a. The following table is to be used for a Participant who is the same age or older than his Beneficiary:

<u>Participant Age - Beneficiary Age</u>	<u>Contingent Annuity Factor</u>			
	<u>100%</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>
0	.833	.870	.909	.952
1	.826	.864	.905	.950
2	.819	.857	.900	.947
3	.811	.851	.896	.945
4	.804	.845	.891	.943
5	.797	.839	.887	.940
6	.790	.833	.882	.938
7	.783	.828	.878	.935
8	.776	.822	.874	.933
9	.769	.816	.870	.930
10	.763	.811	.866	.928
11	.757	.806	.861	.926
12	.751	.800	.858	.923
13	.745	.795	.854	.921
14	.739	.791	.850	.919
15	.733	.786	.846	.917
16	.728	.781	.843	.915
17	.723	.777	.839	.913
18	.718	.772	.836	.911
19	.713	.768	.833	.909
20	.708	.764	.830	.907
21 or more	*	*	*	*

*Factor for 20 year age difference minus extrapolation factor below times number of years in excess of 20 that Participant's age exceeds his Beneficiary's age.

<u>Contingent Annuity Percentage</u>	<u>Extrapolation Factor</u>
100%	.005
75%	.004
50%	.003
25%	.002

b. The following table is to be used for a Participant who is younger than his Beneficiary:

<u>Beneficiary Age - Participant Age</u>	<u>Contingent Annuity Factor</u>			
	<u>100%</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>
1	.841	.876	.914	.955
2	.848	.882	.918	.957
3	.856	.888	.922	.960
4	.863	.894	.926	.962
5	.870	.899	.931	.964
6	.877	.905	.935	.966
7	.885	.911	.939	.968
8	.892	.916	.943	.970
9	.898	.922	.947	.973
10	.905	.927	.950	.974
11	.912	.932	.954	.976
12	.918	.937	.957	.978
13	.924	.942	.960	.980
14	.930	.946	.964	.981
15	.935	.951	.967	.983
16	.941	.955	.969	.984
17	.945	.959	.972	.986
18	.950	.962	.974	.987
19	.955	.966	.977	.988
20	.959	.969	.979	.989
21 or more	.960	.970	.980	.990

Section 3. Option B Table.

<u>Period</u>	<u>Factor</u>
5 Years	.973
10 Years	.911
15 Years	.842
20 Years	.780

Section 4. Option C Tables.

a. The following table is to be used when the benefits under the Social Security Option are payable for life:

<u>Age</u>	<u>Factor</u>
50	0.29019
51	0.31906
52	0.35122
53	0.38712
54	0.42726
55	0.47225
56	0.52278
57	0.57966
58	0.64387
59	0.71653
60	0.79899
61	0.89284
62	1.00000

b. The following table is to be used when the benefits under the Social Security Option cease at age 62:

<u>Age</u>	<u>Factor</u>
50	1.40883
51	1.46856
52	1.54136
53	1.63163
54	1.74599
55	1.89483
56	2.09545
57	2.37905
58	2.80798
59	3.52774
60	4.97485
61	9.33194
62	N/A

Section 5. Other Annuity Forms. Conversion factors for other annuity forms shall be computed by an enrolled Actuary on an actuarially equivalent basis assuming that the Participant is retiring at age 65 and using the UP-1984 Mortality Table without age setback with interest at 8%, regardless of the actual age and sex of any Participant or Beneficiary. If appropriate, such factors may vary by the difference between the Participant's age and the Beneficiary's age.

Section 6. Other Forms of Payment. Other forms of benefit payment made upon plan termination or, if required for compliance with Section 401(a)(9) of the Internal Revenue Code, shall be computed on the basis of the actual age of the Participant and/or Beneficiary at the time of distribution and under the following actuarial assumptions:

a. Interest: Rates that would be used to value the benefits for a Pension Benefit Guaranty Corporation trustee single-employer plan which terminates on the first day of the plan year in which the distribution is made.

b. Mortality: The mortality basis in use at the time of payment by the Pension Benefit Guaranty Corporation for male retirees regardless of the actual sex of any Participant or Beneficiary.

c. Age at Which Payments Begin: The greater of Normal Retirement Date or the age at time of distribution of the Participant and/or Beneficiary.

ARTICLE VIII

CONTRIBUTIONS

Section 1. Employer Contributions. The Employer shall make the necessary Contributions to fund this Retirement Plan. The amount of these Contributions shall be based upon the actuarial assumptions adopted by the Board of Trustees, the benefits provided in this Plan, the number of Participants and their respective ages, Earnings, and lengths of Creditable Service, and such other factors as the Board of Trustees shall deem appropriate to assure proper funding of this Plan. Contributions by the Employer shall be applied as necessary to assure the payment of accrued benefits to Participants and Beneficiaries. Contributions received by JMEBS by the 5th day of any month shall accrue interest from the 1st day of such month. Contributions received after the 5th day of any month shall accrue interest from the 1st day of the month following receipt of such payment.

Section 2. Participant Contributions. The Participants shall not be required to make any Contributions to the cost of this Plan.

ARTICLE IX

PENSION COMMITTEE

Section 1. Creation and Composition. There is hereby created a Pension Committee which shall be composed of a chairman and at

least one (1) but not more than two (2) additional members appointed by the Governing Authority.

Section 2. Responsibilities. The Pension Committee shall have the following responsibilities:

a. In its dealings with JMEBS or its duly appointed representatives, the Pension Committee shall:

(1) Furnish all information with respect to enrollment of Employees.

(2) Assure the collection and remittance to JMEBS of all required Contributions.

(3) Furnish JMEBS, in accordance with its rules and regulations, all reports and other records required to administer this Plan;

(4) Notify JMEBS, in accordance with its rules and regulations, of all benefit elections made by Participants under this Plan and all matters regarding payment of benefits.

(5) Notify JMEBS of the termination of Participating Employees.

b. In dealing with those persons participating or eligible to participate in the Plan, the Pension Committee shall:

(1) Be responsible for the enrollment of Eligible Employees.

(2) Handle distribution of all reports to Participants.

(3) Handle arbitration between the Employer and Participants in all matters regarding the Plan.

(4) Handle any notices of eligibility, benefits, available options, and any other notices required by this Agreement or rules and regulations of JMEBS.

Section 3. Secretary. The Pension Committee shall designate, in writing, a secretary or other representative who shall have full authority to represent the Committee in all communications with JMEBS and the Employer's Employees. A copy of such written designation shall be forwarded to JMEBS.

Section 4. Legal Assistance. The City Attorney or other attorney appointed by the Governing Authority shall furnish legal advice to the Pension Committee with respect to the Plan and the Committee's assigned responsibilities hereunder.

ARTICLE X

BOARD OF TRUSTEES

Section 1. Powers. The powers of the Board of Trustees of JMEBS as fixed by the Act of the General Assembly creating said Board (O.C.G.A. Section 47-5-1 et seq.), as amended, are hereby incorporated as part of the Agreement. The Employer agrees that, in the administration of the Plan, it will comply with all rules and regulations adopted by the Board of Trustees under its authority as granted by said Act.

Section 2. Composition and Election. The composition of the Board of Trustees and the election of its members shall be as provided by an Act creating the Board of Trustees of the Joint Municipal Employees Benefit System (O.C.G.A. Section 47-5-1 et seq.) and as may be provided in the bylaws of the Board of Trustees of the Joint Municipal Employees Benefit System.

Section 3. Officers. The election of officers by the Board of Trustees shall be conducted as may be prescribed by an Act creating the Board of Trustees of the Joint Municipal Employees Benefit System (O.C.G.A. Section 47-5-1 et seq.) and as may be provided in the bylaws of the Board of Trustees of the Joint Municipal Employees Benefit System.

Section 4. Notice of Elections. The Board of Trustees shall provide through its bylaws for the giving of notice of elections, notice of any vacancy on the Board, the method or manner in which votes may be cast, and any other matter necessary or incident to the election of members of the Board. The Board may also provide for a proxy vote, and may determine how, when, and in what manner voting by proxy may be had in accordance with an Act creating the Board of Trustees of the Joint Municipal Employees Benefit System (O.C.G.A. Section 47-5-1 et seq.) and as may be provided in the bylaws of the Board of Trustees of the Joint Municipal Employees Benefit System.

Section 5. Voting. Each JMEBS member employer shall be entitled to vote in any election or other matter placed before the membership as provided in the bylaws of the Board of Trustees of the Joint Municipal Employees Benefit System.

Section 6. Voting Representative for the Employer. The secretary, or other designated representative of the Pension Committee, shall be the official representative of the Employer insofar as matters pertaining to JMEBS are concerned and is hereby designated as such official representative to cast the Employer's vote in any election of members of the JMEBS Board of Trustees and in any other matters which the membership has the authority and responsibility for resolving, unless the Employer notifies JMEBS to the contrary in writing.

ARTICLE XI

CLAIMS AND LITIGATION

Section 1. Disputes. In the event of a disagreement between a Participant and the Employer with respect to any rights, claims, or responsibilities under the Plan which cannot be resolved by the Pension Committee as provided under Part I, Article IX, the Participant may make an appeal regarding such rights, claims, or responsibilities to the Governing Authority. In the event that any such rights, claims, or responsibilities result in a suit or other legal action by a Participant or Beneficiary, such action

shall be defended in the same manner as other suits against the Employer. Any legal action on behalf of the Employer in regard to the Plan shall be first authorized by the Governing Authority and shall be conducted in the manner prescribed by the Governing Authority. JMEBS shall have no responsibility to defend or pursue legal action arising under the Plan.

Section 2. Failure to Act. JMEBS shall not be responsible for the failure of the Employer to perform any of its obligations under the Plan, including the duty to remit payments to JMEBS, to provide necessary records concerning Participants and their Earnings to JMEBS, or any other functions required of the Employer by the Agreement or by the rules and regulations of JMEBS.

ARTICLE XII

AMENDMENT AND TERMINATION

Section 1. Amendment of the Plan. The Trustee shall have the right at any time, and from time to time, to amend, in whole or in part, any or all of the provisions of the Plan, provided, however, that no such amendment shall:

- a. Reduce the benefits of any Participant or Beneficiary; or,
- b. Authorize or permit any part of the Trust Fund held by JMEBS to be diverted to purposes other than for the exclusive benefit of Participants and their Beneficiaries, or,
- c. Operate to deprive any Participant or Beneficiary of any rights or benefits irrevocably vested in him under the Plan prior

to such amendment, except that the Trustee may make any and all changes and modifications necessary to qualify the Plan or to keep the Plan qualified under the Internal Revenue Code and the regulations thereunder, or any amendment thereto; or,

d. Become effective until approved by the Governing Authority.

Section 2. Amendment of the Plan to Transfer Assets; Termination of Plan, Declaration of Trust and Membership Agreement.

a. The Employer may amend the Plan and Contract so as to provide for the transfer of assets to successor trustees and to terminate the existing Declaration of Trust and Membership Agreement between the Employer and the Board. Any such ordinance shall comply with Section 1 of this Article and with the requirements of the rules and regulations of the Board of Trustees regarding amendment and transfer of Plan assets.

b. In addition to other requirements, such ordinance shall:

(1) Designate a new trustee or trustees to replace the Board of Trustees;

(2) Establish a termination date, in accordance with the rules and regulations of the Board of Trustees, which shall be used for purposes of the final audit;

(3) State that the existing Retirement rights of Employees, Participants, and Beneficiaries shall not be impaired.

c. The Board, in accordance with its current rules and regulations, shall cause to be prepared, an audit of the JMEBS Investment Fund in accordance with generally accepted accounting

practices to determine the value of the Trust Fund as of the termination date. The Board shall then deduct from the Trust Fund the total expenses incurred or to be incurred by JMEBS in terminating the Plan. Distribution of assets to the successor trustees shall then occur within the time limits specified in Article XII of the Declaration of Trust.

Section 3. Termination of the Plan and Distribution of Assets to Retired Participants, Beneficiaries, and other Participants.

a. The Employer expects the Plan to be continued indefinitely but, of necessity, reserves the right to terminate the Plan and Contributions thereunder at any time by action of the Governing Authority. Such termination shall be accomplished by the adoption of an ordinance by the Governing Authority terminating the Plan. Such ordinance shall conform to the rules and regulations of the Board of Trustees governing Plan termination.

b. Upon termination, all Eligible Employees shall be deemed to be Participants, and the accrued benefits of such Participants shall be vested. The Pension Committee shall notify Participants, Terminated Participants, Retired Participants, and Beneficiaries of the termination of the Plan, and shall provide a copy of such notice and the names and addresses of the persons notified to the Board.

c. Upon termination, the Employer shall provide to JMEBS, current Participant information necessary to calculate accrued benefits. Upon receipt of such information, JMEBS shall prepare a list of all Participants and Beneficiaries, showing for each

the present value of his Accrued Benefit as determined by the JMEBS Actuary as of the date of termination.

d. The Board, in accordance with its current rules and regulations, shall cause to be prepared, an audit of the JMEBS Investment Fund in accordance with generally accepted accounting practices to determine the value of the Trust Fund as of the termination date. All mandatory Participant Contributions, if any, plus interest, shall be paid from the Trust Fund to the Participants. The Board shall then deduct from the Trust Fund the total expenses incurred or to be incurred by JMEBS in terminating the Plan. The Board, pursuant to its rules and regulations, shall then allocate the remaining assets for distribution of the present value of Accrued Benefits in lump sums to the classes listed below. The benefits of each class shall be satisfied before proceeding to the next class. If at any time the remaining Plan assets would be insufficient to provide the present value of accrued benefits for the class in question, the remaining assets shall be applied on a pro rata basis within that class, and all subsequent classes shall receive no benefit.

CLASS 1 - Retired Participants or Beneficiaries who are receiving payments as of the termination date.

CLASS 2 - Participants delaying Retirement beyond the Normal Retirement Date.

CLASS 3 - Participants eligible for Early Retirement.

CLASS 4 - Other Participants, terminated or active, who have met the requirements for vesting as of the termination date.

CLASS 5 - All other Participants on a pro rata basis.

Payment of benefits to Retired Participants, Beneficiaries, and Participants by JMEBS as a result of a Plan termination shall be limited solely to the assets available in the Trust Fund.

e. In its termination ordinance, the Governing Authority shall instruct JMEBS as to the distribution of excess assets, if any, remaining after the satisfaction of accrued benefits for the classes enumerated herein. In the absence of such instructions, any excess assets shall be distributed to the Employer.

f. Upon distribution of the assets as specified above, the Plan, Declaration of Trust, and Membership Agreement shall be regarded as terminated and no Participant or Beneficiary shall have any further rights or claim therein.

Section 4. Involuntary Termination

a. JMEBS may discontinue administration of the Plan and terminate its trusteeship in the event of any of the following occurrences:

(1) Failure of the Employer to comply with the terms of the Agreement, including, but not limited to, failure to pay required Contributions; or,

(2) Insistence by the Employer on enforcing an amendment to the Plan which the Board has disapproved; or,

(3) Failure of the Employer to adopt within six (6) months, any Plan amendment which the Board has deemed necessary to keep the Plan in compliance with applicable state or federal laws or regulations.