

AN ORDINANCE

An Ordinance to amend an Ordinance approved May 5, 1988, as amended, establishing a retirement plan for the employees of the City of Hahira, Georgia, and setting forth the joint trust agreement and the contract for the administration of said plan by the City and the Georgia Municipal Employees Benefit System as provided by O.C.G.A. Section 47-5-1 et seq., so as to amend the definition of Earnings; to clarify the definition of Annual Earnings; to clarify and change ineligible employees; to allow credit for military service for reemployed employees; to clarify and change credited past service; to cap the amount of earnings to be taken into account for benefit computation in accordance with Internal Revenue Code Section 401(a)(17); to require limitations on annual benefits a participant can receive in accordance with Internal Revenue Code Section 415(b); to change certain provisions pertaining to optional forms of retirement income; to provide lump sum distributions for small annuities in accordance with Internal Revenue Code Section 417(e); to change and clarify the provisions pertaining to portability; to change the provisions pertaining to other forms of payment; to change and clarify the provision pertaining to errors in computation; to provide an effective date; to repeal conflicting ordinances; and for other purposes.

BE IT ORDAINED by the Mayor and Council of the City of Hahira, Georgia, and it is hereby ordained by the authority thereof:

Section 1. An Ordinance establishing a retirement plan for the employees of the City of Hahira, Georgia, and setting forth the joint trust agreement and the contract for the administration of said Plan between the City and the Georgia Municipal Employees Benefit System as provided by O.C.G.A. Section 47-5-1 et seq., is hereby amended by striking Section 4 from Article I, and substituting in lieu thereof, a new Section 4, to read as follows:

"Section 4. Annual Earnings shall mean the Earnings which have been paid to a Participant for Service rendered during any consecutive twelve (12) calendar month period preceding the most recent termination. It shall be limited to such maximum amount, if any, as may be prescribed in Article IV, Section 1b(6), of the Plan."

Section 2. Said Ordinance is further amended by striking Section 13 of Article I, a new Section 13 to read as follows:

"Section 13. Earnings shall mean the total normal compensation paid to an Employee but shall exclude compensation for reimbursed expenses and other unusual compensation. Earnings shall also include overtime, holiday, sick, vacation pay, and compensation deferred and redirected pursuant to the internal revenue code."

Section 3. Said Ordinance is further amended by striking Class 3 from Article II, Section 1.

Section 4. Said Ordinance is further amended by striking subparagraphs (3) and (4) from Article II, Section 3d, and substituting in lieu thereof, new subparagraphs (3) and (4), to read as follows:

"(3) A former Participant who is reemployed in an Eligible Employee class after being on an authorized leave of absence and who meets the provisions of Article II, Section 5a, shall not be deemed to have broken continuity of Service and may resume participation on the first day of the month coinciding with or next following the month in which he is reemployed in accordance with the terms of the leave as approved by the Governing Authority; or,

(4) A former Participant who is reemployed in an Eligible Employee class after a period of service in the Armed Forces of the United States, and who meets the provisions of Article II, Section 5b, shall not be deemed to have broken continuity of Service and may resume participation on the first day of the month coinciding with or next following the month in which he is reemployed, and the time he was absent shall be taken into account for the purpose of calculating benefits under the Plan."

Section 5. Said Ordinance is further amended by striking paragraph "d" from Article II, Section 4, and substituting in lieu thereof a new Section 5, to read as follows:

"Section 5. Leaves of Absence.

a. General Leaves of Absence. The Governing Authority shall determine the date of expiration of a leave of absence granted to a Participant. Such periods of absence shall not be counted as Credited Future Service for the purpose of computing a benefit hereunder unless the leave, as authorized by the Governing Authority, specifically permits such Participant to continue accumulating Credited Future Service during the authorized leave of absence. Such Participant shall, for the purposes of the Plan, not be deemed to have broken continuity of Credited Future Service, provided:

(1) He was regularly employed by the Employer immediately prior to his leave of absence; and,

(2) He makes application for reemployment on or before the date of expiration of a leave of absence; and,

(3) He is reemployed as an Eligible Employee within ninety (90) days after such application.

b. Military Leaves of Absence. A former Employee who is reemployed in an Eligible Employee class after service in the Armed Forces of the United States shall, for the purposes of the Plan, not be deemed to have broken continuity of Service, and all military service shall be counted for the purpose of computing a benefit, provided:

(1) He was regularly employed by the Employer immediately prior to his military service; and,

(2) The Plan was in effect on the date he left employment for such military service; and,

(3) He makes application for reemployment within ninety (90) days after he first becomes entitled to his discharge or release from service in the Armed Forces of the United States; and,

(4) He is reemployed as an Eligible Employee within ninety (90) days after such application.

c. If a Participant or Employee has not returned to his regular employment as an Eligible Employee in accordance with the provisions of paragraph "a" or "b" in this Section, his interest, if any, under the Plan shall be only such as existed at the commencement of such leave of absence."

Section 6. Said Ordinance is further amended by striking subparagraph (1) from Article IV, Section 1b, and substituting in lieu thereof, a new subparagraph (1), to read as follows:

"(1) Credited Service shall be the amount of Service of a Participant. Breaks in regular full-time employment followed by the lesser of: Service and leave of absence equal to the break in Service or Service and leave of absence equal to five (5) years will not break continuity of Service but the time absent will not be considered as a period of Credited Service."

Section 7. Said Ordinance is further amended by striking paragraph (3) in Article IV, Section 1(b), and substituting in lieu thereof, a new paragraph (3), to read as follows:

"(3) Credited Service shall be as defined in this Agreement and limited to time spent as a Participant in the active employ of the Employer, except as provided in Part I, Article II, Section 5."

Section 8. Said Ordinance is further amended by striking paragraph (6) in Article IV, Section 1(b), and substituting in lieu thereof, a new paragraph (6), to read as follows:

"(6) Maximum Annual Earnings to be used for computing Final Average Earnings for benefit accrual shall not exceed \$200,000.00."

Section 9. Said Ordinance is further amended by inserting a new Section 5 at the end of Article IV, to read as follows:

Section 5. Limitation on Annual Benefit. A Participant's annual benefit shall not exceed the lesser of: (1) 100% of the Participant's high 3 years average compensation, or (2) a dollar amount which is adjusted for inflation based on 215(i)(2)(A) of the Social Security Act. If a Participant's total annual benefits are not in excess of \$10,000.00 this section will not apply. Furthermore, if the Participant retires before age 62 the limit shall be actuarially reduced in accordance with Internal Revenue Code 415(b)(2)(C) and (F)."

Section 10. Said Ordinance is further amended by striking Section 4 from Article V, and substituting in lieu thereof, a new Section 4 and Section 5, to read as follows:

"Section 4. Notwithstanding any other provision to the contrary, a Participant's election of the form of benefit payment will be restricted to assure compliance with the minimum distribution incidental death benefit requirements of Internal Revenue Code Section 401(a)(9).

Section 5. Rule for Small Annuities. The present value of a retirement fund benefit shall be distributed to the Participant or Terminated Participant or the Terminated Participant's Beneficiary if the benefit does not exceed Internal Revenue Code Section 411(a)(11)(a) limit on the date of termination. The value of a Participant's or Terminated Participant's benefit shall be determined in accordance with Article VII, Section 6 on the date of the Participant's termination."

Section 11. Said Ordinance is further amended by striking Section 4 from Article VI, and substituting in lieu thereof, a new Section 4, to read as follows:

"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 participation in the Plan, shall have a right to a Vested Retirement Benefit

under the conditions set forth below. The amount of the Monthly Retirement Benefit shall be computed in the manner prescribed for Normal or Early Retirement in Article V herein, but based on his Final Average Earnings and Total Credited Service up to the Participant's date of termination of employment with the Employer. 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 any future employer be a GMEBS employer which maintains a GMEBS retirement plan with a provision on portability that is the same or substantially similar to this Section; 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 GMEBS employers, the Service requirements for Vesting as provided for herein; and,

(3) That each break in employment between GMEBS employers shall not exceed five (5) years.

b. In the event the Participant's immediately preceding employment was with a GMEBS employer or employers, the service performed for such former employer or employers shall be used for the purpose of qualifying the Participant for Vesting or Retirement

under this Plan. In no event shall service with another GMEBS employer be used to calculate the benefit amount due the Participant from this Employer.

c. In the event the Employer is his final GMEBS employer, the benefit under this Section, shall begin when the Participant retires and shall be computed as prescribed in Part I, Article IV."

Section 12. Said Ordinance is further amended by striking Section 6 from Article VII, and substituting in lieu thereof, a new Section 6, to read as follows:

"Section 6. Other Forms of Payment. Other forms of benefit payment made under Article V, Section 5, or upon plan termination 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 calendar 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."

Section 13. Said Ordinance is further amended by striking Section 1 from Article VIII, and substituting in lieu thereof, a new Section 1, to read as follows:

"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, and 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 GMEBS by the last day of any month shall accrue interest from the first day of the following month."

Section 14. Said Ordinance is further amended by striking Section 8 from Article XIII, and substituting in lieu thereof, a new Section 8, to read as follows:

"Section 8. Reserved."

Section 15. Said Ordinance is further amended by striking Section 11 from Article XIII, and substituting in lieu thereof a new Section 11, to read as follows:

"Section 11. Errors in Computation of Benefits.
Any overpayments or underpayments from the Trust Fund to a Retired Participant or to a Beneficiary caused by errors of computation shall be corrected with interest compounded annually from the date of the miscalculation. The rate applied shall be the actuarial assumption rate utilized by the plan actuary for estimating future plan investment earnings as of the date of the correction. Overpayments shall be charged against Retirement payments next succeeding the correction. Underpayments shall be made up from the Trust Fund."

Section 16. Said Ordinance is further amended by striking the phrase "Joint Municipal Employees Benefit System" and the acronym "JMEBS" throughout the Agreement, the Plan, and the Joint Trust Agreement, and substituting in lieu thereof, the phrase "Georgia Municipal Employees Benefit System" and the acronym "GMEBS".

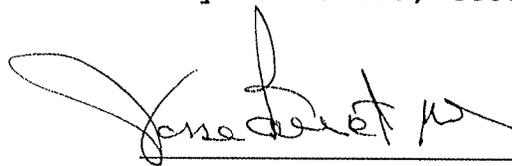
Section 17. The rights and obligations under the Plan with respect to persons whose employment or term of office with the City was terminated for any reason whatsoever prior to the effective date of this amendment are fixed and shall be governed by such Plan as existed and was in effect at the time of such termination.

Section 18. The effective date of this Ordinance shall be November 1, 1990.

Section 19. All ordinances and parts of ordinances in conflict herewith are hereby expressly repealed.

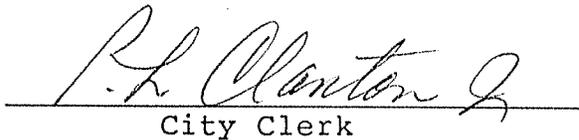
ORDAINED this 15 day of November, 1990.

City of Hahira, Georgia



Mayor

Attest:



City Clerk

(SEAL)

Approved as to form:



City Attorney