

# Designing the New Plan...



## MASTER DEFINED BENEFIT PLAN: JOINDER AGREEMENT OPTIONS

The following is an *outline* of the OkMRF Defined Benefit Plan Joinder Agreement, the portion of the document which designates the specific plan design per the options available in the OkMRF prototype plan (standard document).

### 1. Dates

The Effective Date is \_\_\_\_\_

### 2. Employee

Employee shall mean:

- Regular full-time employee
- All employees (includes part-time, seasonal or temporary)
- Any person who, on or after the Effective Date holds the position of:
  - City Manager
  - Assistant City Manager
  - Chief of Police
  - Fire Chief
  - Department Head or Department Manager
  - Finance Director or Chief Financial Officer
  - General Counsel or Municipal Attorney
  - Municipal Judge
  - \_\_\_\_\_(specify position)

Employee shall not mean:

- Any person who is currently accruing benefits under other state or local retirement system
- Any person **hired before August 1, 2016**
- Any person who, on or after the Effective Date holds the position of:
  - City Manager
  - Assistant City Manager
  - Chief of Police
  - Fire Chief
  - Department Head or Department Manager
  - Finance Director or Chief Financial Officer
  - General Counsel or Municipal Attorney
  - Municipal Judge
  - \_\_\_\_\_(specify position)

### 3. Eligibility

Employees must participate in the Plan: (Select only one)

- \_\_\_\_\_ months (any number of months up to twelve) after employment
- On the first day of employment

**4. Definition of Compensation.**

Compensation shall exclude the item(s) listed below:

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- No exclusions
- Overtime pay
- Bonuses
- Commissions
- Longevity Pay
- Severance pay
- Fringe benefits, expense reimbursements, deferred compensation and welfare benefits
- Accrued vacation or sick leave paid upon termination of employment and moving expenses
- Other: \_\_\_\_\_

**5. Average Monthly Compensation.**

- sixty (60) consecutive months.
- thirty-six (36) consecutive months.

**6. Employee Contributions:**

- Mandatory Contribution: The Employee shall be required to contribute to the Plan.
- Pick-Up Option. The Employee contributions shall be tax-deferred.
- Non-Contributory Option. Participants shall not be required nor permitted to contribute to the Plan.

**7. A. Payment Options:** Guaranteed minimum number of monthly pension checks

- Sixty (60) monthly payments.
- One hundred and twenty (120) monthly payments.

**B. Plan Options:** The Employer hereby elects the following pension formula:

- Plan AAA - 3% with no maximum years of credited service
- Plan AAA - 3% recognizing a maximum of 22 years of credited service
- Plan AA - 2.625%
- Plan BB - 2.25%
- Plan CC - 1.875%
- Plan A - 1.5%
- Plan B - 1.125%
- Plan C - .75%

**C. Normal Retirement Age:**

- Age 65
- Age 62 with 30 years of service
- Rule of 80

**D. Vesting:**

- Ten Year Cliff
- Seven Year Cliff
- Five Year Cliff

**E. Service Credit Prior to Effective Date:**

- No limitation
- Service credit prior to the effective date shall not exceed \_\_\_ years.

**F. Service Buyback.** The Employer will allow an employee to buyback prior service once they terminated, received a distribution, then returned to work:  
 Yes  
 No

**G. Service for Worker's Compensation Period.** If an Employee is on leave under worker's compensation, they shall receive vesting credit:  
 Yes  
 No

**8. Contributions by Employees.**

Designated by plan as follows:

Plan AAA – 6.0%

Plan AA - 5.25%

Plan BB - 4.5%

Plan CC - 3.75%

Plan A - 3%

Plan B - 2.25%

Plan C - 1.5%

Designated contribution of \_\_\_\_\_% of compensation. (Not to exceed the percentages in above paragraph).

The contribution as annually determined each year is be shared by the Employee and Employer as follows:

Employee portion \_\_\_\_\_%

Employer portion \_\_\_\_\_%

**9. Cost-of-Living Option.**

Yes

No

**10. Lump sum benefit payments will be allowed in lieu of a monthly pension:**

Yes

No

**11. Defined Contribution Hybrid Option:** The employee contributions accumulate separately and are not used to help fund the actuarial costs of the plan benefits:

Not applicable.

Applicable.