


<p>Total Rewards Service Center</p> 	<p>Standard Operating Policy and Procedure</p> <p>(12/2019)</p>
<p align="center">Subject: Service Retirement Application</p>	

Policy:

Procedure:

- A. When an employee notifies his/her department or Retirement/Disability Department that s/he is applying for retirement, Retirement/Disability provides the employee with the 2016 Plan Retirement Application and answers any preliminary questions the employee has about the process.
 - a. The application includes the following documents:
 - i. Retirement application;
 - ii. Authorization for direct deposit;
 - iii. Voided check for direct deposit;
 - iv. Retirement insurance benefit election form (to continue or discontinue health, dental, vision, voluntary life, etc.);
 - v. Life insurance retiree beneficiary change form;
 - vi. City of Memphis Beneficiary form;
 - vii. Marriage Certificate, if married;
 - viii. IRS Form W-4P;
 - ix. MassMutual Plan-to-Plan Transfer form (participant's signature is only required if rolling 457(b) into annuity).
- B. Participants can generate estimates of their monthly benefit on MassMutual's website by entering their respective account balances and/or contacting a MassMutual representative.
- C. Retirement/Disability should determine the participant's retirement eligibility by reviewing the participant's age and creditable service information in Oracle. Service credited in the 1978 Plan and 2016 Plan is aggregated to determine retirement eligibility.
 - a. If only the Original Pension Date is populated, this is assumed to be the creditable pension service;
 - b. If there is an Adjusted Pension Date and an Original Pension Date, the Adjusted Pension Date is assumed to be the creditable pension service;
 - c. If neither the Adjusted Pension Date nor the Original Pension Date is populated, the employee does not have creditable pension service.
- D. Requirements for Service Retirement for employees hired on or after July 1, 2012:

General Employees	
Age	Years of Creditable Service
-	25
65	5

Police and Fire and Rescue Employees	
Age	Years of Creditable Service
-	25
55	10

Requirements for Service Retirement for employees hired prior to July 1, 2012:

General Employees	
Age	Years of Creditable Service
-	25
65	5
60	10

Police and Fire and Rescue Employees	
Age	Years of Creditable Service
-	25
55	10

Appointed/Elected Employees	
Age	Years of Creditable Service
-	12 (hired prior to 11/1/04 and first appointed prior to 2/17/10)

- E. Once the employee returns the completed retirement application packet, Retirement/Disability reviews the following for completeness:
- a. Retirement application;
 - b. Authorization for direct deposit;
 - c. Voided check for direct deposit;
 - d. Retirement health insurance benefit election form (to continue or discontinue health, dental, vision, voluntary life, etc.);
 - e. Life insurance retiree beneficiary change form;
 - f. City of Memphis Beneficiary form;
 - g. IRS Form W-4P;
 - h. MassMutual Plan-to-Plan transfer form (only required if rolling 457(b) into annuity).

- F. Assuming the employee is eligible for a retirement benefit and returns the necessary paperwork, Retirement/Disability forwards copies of the following to Pension Payroll:
- a. Retirement application;
 - b. Authorization for direct deposit;
 - c. Voided check for direct deposit;
 - d. IRS Form W-4P;
 - e. MassMutual Plan-to-Plan transfer form (participant's signature is only required if rolling 457(b) into annuity).
- G. Payroll receives the application and accompanying documents after approval by the Pension Board.
- H. Payroll waits until the department has terminated the employee from Active Employment, and once the Separation Form is received from the department by Payroll, Payroll calculates the monthly retirement benefit based on the following participant variables:
- a. MBCB plan total balance, plus credited interest less 1%;
 - i. For partial years, credited interest is calculated based on plan year-to-date interest crediting rate through the second month preceding the month in which the annuity commencement date occurs, less 1%;
 1. The 1% is not prorated for a partial year;
 - ii. The interest crediting rate is obtained from the Pension Fund Investment Manager;
 1. The interest crediting rate is obtained on a monthly basis to accommodate the retirements taking place each month;
 2. The interest credit rate is based on the return on assets for the Pension System for which First Tennessee Bank is custodian;
 3. Payroll will be responsible for applying the 1% offset to the return on assets;
 - iii. The value of the MBCB account is maintained by the City;
 - iv. The value of the MBCB account at a participant's retirement date cannot be less than the total contributions to the account, which is referred to as the "preservation of principal" provision.
 - b. 401(a) DC account balance;
 - i. Payroll will send the MassMutual Fund-to-Fund Transfer form to MassMutual for them to wire the participant's 401(a) DC account balance to the City's Pension System First Tennessee Trust account.
 - ii. Based on the participant's total 401(a) DC account Payroll calculates the monthly retirement benefit attributable to the participant's 401(a) DC account.
 - c. Legacy defined benefit;
 - i. Only 2016 Plan participants hired prior to July 1, 2016 will have a legacy defined benefit monthly retirement benefit, which was frozen as of June 30, 2016;
 - ii. The amount of the frozen benefit is added to the 2016 MBCB Plan and 401(a) DC Plan monthly retirement benefit calculation.

- d. 457(b)
 - i. Participants may roll all or part of their 457(b) deferred compensation accounts deferred during their employment with the City of Memphis into the 2016 Plan to increase their monthly retirement benefit payment;
 - ii. Participants choosing to roll all or part of their 457(b) funds into the annuity must sign the MassMutual Plan-to-Plan Transfer form and indicate if they wish to use their entire account balance or a smaller amount;
 - 1. Note that the participant is only eligible to roll the money from the 457(b) account attributable to contributions deferred while the participant is employed with the City; in other words, funds rolled into the City's 457(b) plan from another qualified retirement or deferred compensation plan are not eligible to be used in the City's monthly retirement benefit calculation.
 - iii. Payroll sends the MassMutual Plan-to-Plan Transfer form to MassMutual for processing and distribution of the elected rollover by MassMutual to the City of Memphis's Pension System First Tennessee Trust Account.
- I. Payroll calculates the monthly retirement benefit following the instructions included in the Excel calculator developed by PWC.
- J. Payroll schedules the retiree's first payment and generates a Pension Worksheet to send to Retirement/Disability.
- K. Retirement/Disability receives the Pension Worksheet and sets up any applicable retirement benefits deductions.