



**CITY OF MEMPHIS RETIREMENT SYSTEM**

**1948 and 1978 PLANS**

**SUMMARY PLAN DESCRIPTION**

**GENERAL EMPLOYEES**

**INCLUDING**

**POLICE DISPATCHERS, FIRE DISPATCHERS,  
FIRE ALARM OPERATORS, AND PARAMEDICS  
ELECTING THIS PLAN**

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## **INTRODUCTION**

**This Summary Plan Description is for use by General Employees Only. General Employees include all full-time employees who are not Commissioned Officers (Police and Fire) and who are not Police Dispatchers, Fire Dispatchers, Fire Alarm Operators, and Paramedics who elect to participate in the 2016 Hybrid Pension Plan.**

The City of Memphis Retirement System is made up of three separate plan Divisions: Division I (the “1948 Pension Plan”), Division II (the “1978 Pension Plan”), and Division III (the 2016 Cash Balance and Defined Contribution Plan (“2016 Hybrid Pension Plan”).

The 1948 Pension Plan is a defined benefit pension plan established for employees hired **prior to July 1, 1978**.

The 1978 Pension Plan is a defined benefit pension plan established to provide retirement benefits for: (1) eligible employees and their beneficiaries and includes provisions for employees who are Commissioned Police Officers and Firefighters hired **prior to July 1, 2016**; (ii) Commissioned Police Officers and Firefighters hired **after July 1, 2016** who elected in the one-time Special Tax Referendum in 2020 and the one-time special election in 2023 to return to the 1978 Pension Plan, and (iv) Commissioned and Police Dispatchers, Fire Dispatchers, Fire Alarm Operators, and Paramedics hired **on or after July 1, 2023** who elect to participate in the 1978 Pension Plan.

The 2016 Hybrid Pension Plan was established for employees hired **on or after July 1, 2016**, including Commissioned Officers and Firefighters hired **on or after July 1, 2016** and Police Dispatchers, Fire Dispatchers, Fire Alarm Operators, and Paramedics who do not elect or are not eligible for the 1978 Pension Plan.

The purpose of this Summary Plan Description (SPD) is to provide General Employees with an informal guide to the key provisions of the 1948 and 1978 Pension Plans. Every effort has been made to summarize the 1948 and 1978 Plans. However, in the event of a conflict between this Summary Plan Description and Ordinance 5573, and the City Ordinances that comprise the Pension System, the Ordinances, as amended from time to time, will govern.

The 2016 Hybrid Pension Plan is administered, along with the other City Retirement Plans, by the City of Memphis Retirement System organization. To find out information about your benefits, please visit our web site at [www.totalrewards.memphis.gov](http://www.totalrewards.memphis.gov).

## **JOINING THE PLAN**

### **Who Are Eligible Employees?**

If you are regular full-time employee hired **on or after July 1, 2016** who does not fit in one of the classes below, you will participate in the 2016 Hybrid Pension Plan and are not eligible to participate in the 1978 Pension Plan (see the Summary Plan Description of the 2016 Hybrid Pension Plan for General Employees).

You participate in the 1978 Pension Plan if you are a regular full-time employee who:

- was hired **on or after July 1, 1978**, and **before July 1, 2016** or
- elected to participate in the 1978 Pension Plan under a special election period under a referendum in 2020 or in a special election period **prior to November 3, 2023**, or
- is an “Eligible Public Service Employee” hired **on or after July 1, 2023**, and elects to participate in the 1978 Pension Plan.

An “Eligible Public Service Employee” is a commissioned police officer, firefighter, police dispatcher, fire dispatcher, fire alarm operator, or paramedic hired **on or after July 1, 2023**. If you are an Eligible Public Safety Employee you may make a one-time irrevocable election upon your date of hire in the form and manner and within the time prescribed by the Pension Board to opt out of participation in the 2016 Hybrid Pension Plan and elect in lieu thereof to participate in the 1978 Pension Plan provided that the rate of employee contributions required of Eligible Public Safety Employees is identical in each Plan regardless of participation in the 1978 Pension Plan or 2016 Hybrid Pension Plan.

To participate in the 1978 Pension Plan, you must be a full-time salaried employee other than: officials or employees of the Board of Education; employees of the Light Gas and Water Division of the City; temporary employees classified by the City; part-time employees; or any employee mandated by law to contribute to the Federal Social Security System and not eligible to be a participant by job classification. Additional eligibility and certain other requirements, limits or benefits may apply to you depending on when you were hired, elected, reemployed, or transferred into or out of the Plan.

### **Employees Transferred Into Or Out of the Plan**

If you were an employee of (i) Memphis Light, Gas and Water Division, (ii) Memphis and Shelby County Public Library and Information Center, or (iii) Shelby County and became an employee of the City of Memphis (or vice versa) **before July 1, 1978**, you *may* be a participant in the 1948 Plan. Important limitations are contained in Sections 25-62 and 25-63 of the Plan.

If you were an employee of (i) Memphis Light, Gas and Water Division, (ii) Memphis and Shelby County Public Library and Information Center, or (iii) Shelby County and became an employee of the City of Memphis or (vice versa) **on or after July 1, 1978 and before**

**July 1, 2016**, you may be (or may not be eligible to be) a participant in the 1978 Pension Plan. Important limitations are contained in Sections 25-162 and 25-163 of the Plan.

### **Former Participants Who Are Reemployed**

A Reemployed Participant is any former participant under the 1948 Pension Plan, the 1978 Pension Plan, or the 2016 Hybrid Pension Plan who is reemployed as an employee eligible to participate in the Pension System.

There is a “grandfather rule” applicable if you are an employee whose reemployment start date occurred **on or after July 1, 2016**, and if you terminated your employment as a member in the City of Memphis Retirement System under the 1948 or 1978 Pension Plan. To be covered by the grandfather rule, you must have properly elected a deferred pension or actually retired as a participant under the 1948 or 1978 Pension Plan. If you qualify for coverage under the grandfather rule, you will continue to be a member of the 1948 Pension Plan or 1978 Pension Plan, whichever is applicable to you, as of your reemployment start date, and you will not be a participant in the 2016 Hybrid Pension Plan.

### **WHEN AND HOW ARE MY BENEFITS PAID?**

#### **What Is My Normal Retirement Date?**

**1948 Pension Plan Participants** - Your Normal Retirement date is the day after you either:

- a. Attain age 60 and complete 10 Years of Service; or
- b. Complete 25 Years of Service

**1978 Pension Plan Participants** - Your Normal Retirement Date is the day after you either:

- a. Attain age 65 and complete 5 Years of Service;
- b. Attain age 60 and complete 10 years of Service; or
- c. Complete 25 Years of Service

**1978 Pension Plan Participants hired on or after July 1, 2012:** Your retirement benefit begins when you either:

- a. Attain age (sixty-five) 65 and complete five (5) years of service or
- b. Complete twenty-five (25) years of service and submit a written election designating the date you will retire not less than thirty (30) days before such designated date. You will be entitled to receive a retirement benefit equal to your accrued benefit reduced by 5.0% per year for each year that his or her early retirement date precedes the date the participant will attain age (sixty-two) 62.
- c. This provision shall not apply to elected or appointed employees governed by Chapter 25-181.

#### **What Is My Early Retirement Date?**

You are not eligible for any early retirement benefits.

### **What If I am Involuntarily Retired?**

If you were a Plan participant **prior to November 1, 2004** and your employment is discontinued without fault or delinquency on your part or ( if you are an elected or appointed official and you fail to achieve or seek reelection or reappointment to a position covered by the Plan), and you have at least 12 years of service, then you are entitled to receive a retirement benefit. This provision does not apply to persons appointed, for the first time, **after February 16, 2010**.

If you became a plan participant on or after November 1, 2004, see above (1978 Pension Plan Participants) for your eligible retirement date.

### **What If I Terminate My Employment Before Being Eligible To Receive a Normal, Involuntary Or Disability Retirement Benefit?**

If you have completed at least ten Years of Service and you leave employment before you are eligible to receive a normal, involuntary or disability retirement benefit, you are entitled to receive a deferred retirement benefit from the Plan equal to your accrued benefit payable as a single life annuity (with no spouse or dependent benefits) If you were hired **before July 1, 2012**, your benefits will begin when you reach age 60. If you were hired **on or after July 1, 2012**, your benefits will begin at age 62. If, however, you have engaged in any act harmful to the City that results in your conviction, you will not be entitled to a deferred retirement benefit.

A participant who elected a deferred retirement benefit may also revoke his election at any time before your benefits commence and elect to receive a refund of his contributions without interest reflecting any gains or losses.

### **If I Elect Not To Receive A Deferred Retirement Benefit, and Am Not Entitled To Any Other Benefit, Will My Contributions Be Returned?**

If your employment terminates for any reason other than death, you elect not to receive a deferred retirement benefit, and you are not entitled to a normal, involuntary or disability retirement benefit, your contribution will be returned with a multiple based on your length of service. Depending on your length of service, you will receive between one times to three times your contributions.

## **CALCULATIONS OF YOUR BENEFIT AMOUNT**

### **How Is My Benefit Determined?**

When you retire, your benefit is based on a formula using:

## Compensation

**1948 Pension Plan Participants:** Pay received for services, including shift premium pay, hazardous premium pay, holiday pay, and incentive pay, but not including pay classified as overtime pay (“overtime pay”).

**1978 Pension Plan Participants:** Pay received for services, including shift premium pay, hazardous pay, longevity pay, and incentive pay, but excluding any double time compensation for holidays and pay classified as overtime pay.

## Average Monthly Compensation

Average monthly compensation is the average of your monthly compensation received for any five consecutive Years of Service preceding your date of termination which produces the highest average. If the 12 months preceding your termination of employment produces a higher average, then that shall be your Average Monthly Compensation.

For each participant that is hired **on or after July 1, 2012**, the average monthly compensation, (excluding and disregarding any hiatus in the participant's employment by the City) for his or her three (3) consecutive years of service for which such compensation was the highest. In addition, in the case of death or disability incurred by a participant in the performance of duties before he or she has five consecutive years of service, his or her average monthly compensation shall be the average monthly rate of compensation during all his or her years of service.

## Years of Service

You will receive credit for each 12-month period that you are a plan participant. You will not receive any credit for Years of Service if you are on a leave of absence for more than 30 days. If you terminate employment with the City and receive a lump sum payment, all your Years of Service prior to the lump sum will be disregarded unless the lump sum is repaid if and when you are reemployed for at least two years. You may also receive credit for any past service that you might have if you transfer into this Plan. Important limitations are contained in Section 25-1 paragraph 45 which describes when past service will count toward your Years of Service.

## What Is My Retirement Benefit Formula?

Generally, your retirement benefit (starting on your Normal Retirement Date and payable as a single life annuity) is the sum of:

- (i.) 2 ¼% of your Average Monthly Compensation times Years of Service **before January 1, 1990**, plus
- (ii.) 2 ½% of your Average Monthly Compensation times your Years of Service **after January 1, 1990**, plus



- (iii.) 1% of your Average Monthly Compensation times your Years of Service in excess of 25, up to a maximum of 10, plus
- (iv.) 1% of your average Monthly Compensation times your Years of Service in excess of 35 earned **after January 1, 1990**, up to a maximum total retirement benefit of 72.5%.

The sum of your Years of Service in (i) and (ii) cannot exceed 25.

In certain situations, you will be entitled to receive the Plan’s minimum benefits. You also always have the option of receiving the sum of your contributions to the Plan (times the Return Multiple corresponding to the number of Completed Years of Service you have completed on the following box), provided you and your spouse, if necessary, elect in writing to receive your distribution in a lump sum. Partial or fractional years are not considered.

<b>Completed Years of Service</b>	<b>Return Multiple</b>
<b>Less than 5</b>	1.0
<b>5</b>	1.5
<b>6</b>	1.7
<b>7</b>	1.9
<b>8</b>	2.1
<b>9</b>	2.3
<b>10</b>	2.5
<b>11</b>	2.6
<b>12</b>	2.7
<b>13</b>	2.8
<b>14</b>	2.9
<b>15 or more</b>	3.0

If the minimum retirement benefit is greater than the general formula described above, then you will receive the Plan’s minimum benefit unless the only benefit you are entitled to is a deferred retirement benefit. The Plan’s minimum retirement benefit (starting on your Normal Retirement Date and payable as a single life annuity) is the greater of one (1) through three (3).

- (1) The sum of (i) \$525 plus (ii) \$21.00 times the lesser of ten (10) or your Years of Service in excess of twenty-five (25). This benefit will only apply if you are entitled to a Line of Duty disability or death benefit (see pages 11-14), or you are retiring with at least twenty-five (25) Years of Service.
- (2) The sum of (i) \$500 plus (ii) \$1.00 times the lesser of twenty-five (25) or your Years of Service. This benefit will only apply if you are retiring on or after reaching age 65 with fifteen (15) or more Years of Service.
- (3) The greater of (i) \$262.50 or (ii) \$21.00 times your Years of Service. This benefit will only apply if you are retiring with less than twenty-five (25) Years of Service and before reaching age sixty-five (65).

The retirement benefit is the following:

As of any date, for each participant that is hired **on or after July 1, 2012**, a monthly benefit amount payable semi-monthly in the form of a single life annuity, equal to two and one fourth percent of his or her average monthly compensation multiplied by the number of years of service completed **after July 1, 2012**; provided, however, that when such participant's years of service equals twenty-five (25) years, such participant shall accrue an additional one percent of his or her average monthly compensation for each year of service in excess of twenty-five (25) years for a maximum of ten (10) years; provided, however, if after thirty-five (35) years of service the total percentage of his or her average monthly compensation is less than seventy-two and five-tenths (72.5) percent, such participant shall accrue an additional one (1) percent of his or her average monthly compensation for each year of service in excess of thirty-five (35) years earned.

For Example:

John has worked for the City for 30 years (20 years **before January 1, 1990** and 10 years after). His Average Monthly Compensation as defined on Page (8) is \$2,000 (\$24,000 annually), and he is eligible to retire. Under the above formula, John's monthly retirement benefit (starting on his Normal Retirement Date as a single life annuity) is calculated as follows:

$$\$2,000 \times 2 \frac{1}{4}\% \times 20 = \$900$$

$$\$2,000 \times 2 \frac{1}{2}\% \times 5 = \$250$$

$$\$2,000 \times 1\% \times 5 = \$100$$

John's Monthly Benefits - \$1,250

### **Does The City Contribute To The Plan?**

Yes. The City contributes to the Plan as required by the Pension Ordinance.

### **Do I Continue To Contribute To The Plan?**

Yes. You are required to contribute a percentage of your compensation to the Plan each year you are a plan participant until you retire.

**1948 Plan – 5%**

**1978 Pension Plan – 8%**

Please refer to page 7 for the definition of Compensation.

## **Do I Pay Federal Income Tax On My Contribution?**

All employee contributions made **after 1982** are treated as though they were contributed by the City for Federal income tax purposes. Therefore, you do not pay any Federal income tax on your contribution. When you begin to receive your retirement benefit, however, all your distributions will generally be taxed.

## **PAYMENT OF BENEFITS**

### **When Are Retirement Benefits Normally Paid?**

Retirement benefits normally will begin on your Normal Retirement Date. You will generally trigger the commencement of your benefits on or after your Normal Retirement Date by filing an election with the Board at least 30 days before the date you designate for your retirement. The actual issuance of your first retirement check may not coincide with your designated date of retirement but will begin as soon as administratively feasible following your date of retirement.

### **How Will My Retirement Benefit Be Paid?**

Your retirement benefits (other than your disability benefits) will be paid to you for life, provided you do not return to employment with the City.

### **Do My Benefit Payments Continue If I return to Work?**

No. If you are receiving benefit payments from the Plan and you are reemployed, your benefit payments stop. Your new benefit payments will begin when you again leave employment with the City. The new benefit payments will be based on the benefit payable to you as of your later retirement date, less the actuarial value of any benefits received by you before you were reemployed unless you were vested **prior to January 1, 1990**.

### **What If I Die While Working?**

If you die as a direct result of an accident sustained while performing your duties for the City (without willful negligence), your surviving spouse or, if you are not married at the time of your death, your Children or Handicapped Children (defined below), are entitled to a "Line of Duty" death benefit. The line of Duty death benefit for your spouse or Children is equal to the greater of 60% of your Average Monthly Compensation (see Page 7) as of the date of your death or your Accrued Benefit as of the date of your death. The Line of Duty death benefit for your Handicapped Children is equal to the greater of 30% of your Average Monthly Compensation or 50% of your Accrued Benefit as of the date of your death. If you die and it is not a Line of Duty death, then your benefit will vary depending on whether you are a participant in the 1948 or 1978 Plan.

## **1948 PENSION PLAN PARTICIPANTS**

If, at the time of your death you had not elected a deferred retirement, and your death does not qualify as a Line of Duty death or occur while you were serving in the armed services and receiving Years of Service credit, your surviving spouse or, if you are not married at the time of your death, your Children or Handicapped Children will receive:

- The same retirement benefit you were receiving, if you died while receiving a benefit; or
- The normal, involuntary or disability retirement benefit you would be entitled to at the time of your death, provided you die before benefits commence and after completing at least five years of Service or suffering an Ordinary Disability (as defined on page 14).

## **1978 PENSION PLAN PARTICIPANT**

If, at the time of your death you had not elected a deferred retirement and your death does not qualify as a Line of Duty death, your surviving spouse or if you are not married at the time of your death your Children will receive:

- 75% of the retirement benefit you were receiving, if you died while receiving a benefit; or
- 75% of the normal, involuntary, or disability retirement benefit you would be entitled to at the time of your death, provided you die before benefits commence and after completing at least five Years of Service or suffering an Ordinary Disability (as defined on page 14)

The benefit received by a handicapped child is 50% of the benefit payment any other child is entitled to receive.

If, at the time of your death you had elected a deferred retirement but had not commenced to receive payments, your employee contributions will be refunded.

**In all cases, no death benefit will be paid if you are not married or have no Children or Handicapped Children when you die.**

## **DEFINITION OF CHILDREN AND HANDICAPPED CHILDREN**

An individual will be considered your child if he or she is your legitimate or legally adopted son or daughter, and he or she:

- Has not turned age 18, or
- Is age 18 or older but not age 25, and
  - (i.) is attending an accredited school (or non- accredited school if its credits are

- acceptable by an accredited school)
- (ii.) is certified by your child's school to be carrying a full-time day student's course load, and is not employed full-time.

- Is unmarried.

If your child is in high school, or trade or vocational school, he or she will be considered to be full-time if enrolled at least 20 hours per week, in a course of study that requires at least 13 weeks, and the school considers him or her to be a full-time student under its standards.

If your child is too old to qualify as a Child under the above definition, then he or she may qualify as a Handicapped Child. For your child to be considered a handicapped child, he or she must be 18 or older, unmarried, not in the care of a governmental institution, and so severely disabled by medically determinable impairments that he or she cannot engage in any substantial, gainful activity. You also must be able to demonstrate that the child was handicapped on the last day he or she qualified as a Child (under the above definition).

### **How Will My Death Benefit Be Distributed?**

The manner in which your death benefits are paid depend on who is receiving those benefits.

#### **Surviving Spouse**

Your surviving spouse will receive death benefits until his/her death. A lawful spouse of a participant, active or retired, is one who has had the status of lawful spouse immediately preceding the death of the participant.

#### **Children or Handicapped Children**

Your Children or Handicapped Children will begin to receive death benefits after the death of your spouse, or if you have no surviving spouse, shortly after your death. The payments will continue for as long as they are Children or Handicapped Children, as defined above.

For each participant hired **on or after July 1, 2012**, the death benefit of Section 25-190 or 25-191 shall be paid to the surviving spouse until the spouse's death. If there is no spouse, or upon the spouse's death, the death benefit shall be made, or shall continue to be paid to or on the behalf of the participant's surviving children and handicapped children, for as long as they are children or handicapped children; provided, however, any handicapped children shall be entitled to receive only fifty (50) percent of the benefit payment any other child of the participant shall be entitled to receive

### **IF YOU BECOME DISABLED**

#### **Do I Receive A Benefit If I Become Disabled?**

If it is determined that you have incurred a Line-of- Duty disability, then you will be entitled to receive a disability benefit equal to the greater of sixty percent (60%) of your Average

Monthly Compensation (see page 8) or your Accrued Benefit as of the date of your disability. A Line-of-Duty disability is a physical or mental condition arising as a direct and proximate result of an accident sustained by a participant, after becoming a participant, while in the actual performance of his duties for the City at some definite time and place without willful negligence that totally and permanently prevents him from engaging in the duties for which he was employed. The determination of the Line of Duty disability will be made on medical evidence of at least two qualified physicians licensed to practice in Tennessee, Mississippi and Arkansas and is designated by the Board.

If you incur a disability that was not in the Line of Duty (an “Ordinary Disability”), and that was not a result of your gross and willful misconduct, you will receive a disability benefit equal to your Accrued Benefit at the date of your disability. Generally, no benefit will be payable as a result of a disability incurred while you were serving in the armed forces.

An Ordinary Disability is a physical or mental condition arising after the participant is credited with five or more Years of Service that totally prevents him from engaging in the duties for which he was employed. The determination of any Ordinary Disability will be made on the medical evidence of at least two qualified physicians licensed to practice medicine in Tennessee, Mississippi & Arkansas and is designated by the Board. An Ordinary Disability does not include any disability resulting from the participant’s chronic alcoholism, self-addiction to narcotics, or participation in a felonious or criminal act or enterprise.

From time to time you may be asked to undergo a medical examination to determine whether you continue to suffer from the disability. If you refuse to be examined or it is determined that you have recovered from your disability, your benefits will be discontinued. In addition, if you engage in gainful employment, your disability benefits will be reduced so that the sum of your compensation and disability benefits does not exceed your Average Monthly Compensation as of the date you became disabled.

### **How Is My Disability Benefit Determined?**

To figure your Accrued Benefit as of the date of your disability, use the same formula on page 8 that you would use to determine your Normal Retirement Benefit. Your Accrued Benefit will be based on your Average Monthly Compensation and your Years of Service as of your date of disability.

### **When Will I Receive My Disability Benefit?**

Payments will normally begin as soon as it is determined that you are disabled by the Board of Administration. The actual issuance of your first check may not coincide with the date your disability is determined, but should begin as soon as administratively feasible.

## **WHAT ASSETS SUPPORT YOUR BENEFITS AND HOW TO CLAIM BENEFITS**

### **Are My Benefits Supported Solely By The Trust Fund?**

Yes, the only source for the payment of your benefits under the Plan is a trust fund, known

as the “Retirement Fund of the City of Memphis.” The City, the Board, the Council, the Comptroller, or any employee of the City is not liable for any benefit promised by the terms of the Plan. Once the City pays contributions to the Trustee, the City loses all rights to the money transferred. Moreover, the Trustee is obligated under law to maintain the Plan’s assets exclusively for the benefit of Plan Participants and beneficiaries.

### **How Do I Make a Claim For Benefits?**

When you leave employment and you are entitled to benefits from the Plan, you will be asked to complete a form giving such information as your address, the name of your spouse or beneficiary, etc. Benefits will be paid automatically to you in accordance with the information you have given. If any of the information you have given changes before your benefits are payable – for instance, if you move- be sure to let the City know.

You can generally trigger the commencement of your benefits on or after your Normal Retirement Date by filing an election with the Board at least 30 days before the date you designate for your retirement.

The actual issuance of your first retirement check may not coincide with your designated date of retirement, but should begin as soon as administratively feasible.

**No benefits will be paid until a properly completed claim form is filed with and approved by the Board of Administration.**

### **FEDERAL TAX ON RETIREMENT BENEFITS**

The rules concerning the Federal taxation of your benefit are complex. The Plan can provide you with a “Special Tax Notice Regarding Plan Payments,” that has been prepared by the Internal Revenue Service to describe the tax treatment of your distribution under a variety of situations. You can also call 1-800-TAX-FORM and request a copy of IRS Publication 575, “Pension and Annuity Income” for more information. In addition, because of the complexity of these rules, you may want to consult a professional tax advisor before you take a payment of your benefits from the Plan.

Generally, because all of your contributions are “picked up” (as that term is defined in the Internal Revenue Code) by the City so that they are excluded from your income on an annual basis, your entire retirement benefit payment will be subject to Federal income tax when you receive it, unless all or a portion of your benefit can be rolled over to an IRA or another retirement plan.

You should be aware, however, that under the Plan none of the monthly retirement benefit distributions can be rolled over and are not subject to 20% mandatory withholding.

The taxable amount of such any refund under the Plan is subject to a *mandatory 20% federal income tax withholding* if the amount is paid to you, rather than “directly” rolled over. Such a payment to you will be taxed in the year distributed unless you roll it over by paying it to your IRA or to another qualified plan within 60 days of receipt. If you roll over only the 80%

that you received, you will be taxed on the 20% that was withheld and not rolled over. If you do not roll over the distribution, you may be able to use special tax rules that could reduce the tax you owe. However, if you receive the payment before age 59 ½, you also may have to pay an additional 10% tax. Again, because of the complexity of these rules, you may want to consult with a professional tax advisor before taking a distribution.



NOTES: