

**SUMMARY PLAN DESCRIPTION**

**CITY OF MARIETTA  
SUPPLEMENTAL PENSION PLAN**

**CITY OF MARIETTA  
SUPPLEMENTAL PENSION PLAN**

**SUMMARY PLAN DESCRIPTION**

**SECTION 1  
INTRODUCTION**

The City of Marietta, Georgia (the “City”) established the City of Marietta Supplemental Pension Plan (the “Plan”) on January 1, 1981. The Plan has since been amended and was most recently amended and restated through an adoption agreement effective November 27, 2017. The Plan is intended to comply with the requirements of Sections 401(a) of the Internal Revenue Code of 1986, as amended (the “Code”).

The Summary Plan Description is effective as of March 6, 2018. It explains the major features of the Plan and how they apply to you. If the Plan is amended in a way that will affect your benefits, you will be notified.

This Summary Plan Description is a summary only. It does not discuss every detail of the Plan, and it does not present some technical aspects of the Plan that may affect your right to participate in or receive benefits under the Plan. You should refer to the Plan for all details of the Plan’s operation. If there is any inconsistency or ambiguity between the Plan and this Summary Plan Description, the Plan will control. The Plan documents may be examined during regular business hours in the Plan Administrator’s office.

For purposes of the Plan, any provisions mandated by Federal law shall remain in effect only so long as such provisions are currently required. If any such provisions are found to be unconstitutional or unenforceable, are rescinded, or are repealed or become discretionary, those portions of the Plan shall be deleted automatically, rescinded and revoked consistent with such action without any further action of the City Council of the City of Marietta.

If you have any questions that are not answered by the booklet, please contact your Plan Administrator. Only the Plan Administrator is authorized to answer questions about the Plan.

**SECTION 2  
ELIGIBILITY AND PARTICIPATION**

**A. Eligible Employees**

Unless otherwise described as an ineligible Employee in Section 2B below, the following classes of Employees of the City are “Eligible Employees,” meaning they are eligible to participate in the Plan after satisfying the eligibility requirements described below:

- (1) Regular, full-time Employees, including appointed Employees.
- (2) Effective January 1, 2000, regular part-time and temporary part-time employees who are hired on and after January 1, 2000.

**B. Ineligible Employees**

The following individuals are **not** Eligible Employees and may not become Participants in the Plan:

- Leased Employee.
- An Employee considered by the Employer to be an independent contractor, or the employee of an independent contractor, who is later determined by the Internal Revenue Service to be an Employee.
- An Employee employed as an elected official
- An Employee employed on a contract basis.
- An Employee employed as a part-time Employee prior to January 1, 2000.

**C. Eligibility Requirements**

**1. Effective Date of Participation.**

- Regular full-time Employees are eligible to participate in the Plan effective as of the first day of the payroll period that begins after they have earned a Year of Service. See Section C2 below for information on what constitutes a Year of Service.
- Eligible Employees who are not regular full-time Employees are eligible to participate in the Plan immediately after their employment.

- 2. Year of Service.** An Eligible Employee will be credited with a Year of Service after twelve continuous months of employment without a termination of employment. For example, if an Eligible Employee begins work on December 1, 1999, and does not have a Severance from Employment before November 30, 2000, he earns a Year of Service on November 30, 2000. If that Employee

terminates employment on October 1, 2000, but is rehired on November 1, 2000, he will not earn a Year of Service until October 31, 2001. Remember that only regular, full-time Employees must complete a Year of Service before participating in the Plan.

A Severance from Employment means, (except for the purposes of the Contribution Limitation Section) an employee's termination of employment that may result from retirement, death, disability, voluntary or involuntary termination, unauthorized absence, or by failure to return to active employment with the Employer by the date on which an authorized Leave of Absence expires.

An Eligible Employee also must complete a new Year of Service after he is rehired, even if he was a participant before he had a Severance from Employment.

### **SECTION 3 CONTRIBUTIONS**

Each Eligible Employee has a separate Account under the Plan. The City contributes to each Eligible Employee's Account each pay period. The amount of that contribution is:

- 6.13% of each regular, full-time Employee's Compensation each pay period.
- 7.5% of each other Eligible Employee's Compensation for each pay period.

**"Compensation"** is your gross annual earnings as reported on IRS Form W-2 (including any pre-tax contributions to a 403 (b) or similar plan, or any other pre-tax contribution to a cafeteria or Section 125 plan).

The code prohibits the Plan from considering Compensation higher than a dollar amount specified by the Internal Revenue Service.

For Eligible Employees who are appointed Employees, Compensation does not include compensation more than the maximum salary payable to regular (i.e., non-appointed) Employees pursuant to the City's personnel pay plan ordinance.

Refer to the Supplemental Pension Plan Document for any requirements that might exist regarding situations in which there may be Compensation after a Severance from Employment.

## **SECTION 4 PLAN INVESTMENTS**

### **A. Trustee**

The assets of the Plan are held in a Trust Fund and, upon direction by the Plan Administrator, the Trustee, meaning the party or parties named in the applicable Trust Agreement, pays all benefits under the Plan. The City has the right to change a trustee or to appoint additional trustees at any time.

### **B. Investment Direction by Participants**

- 1. Investment Elections.** You may direct that your Account be invested in 1% increments among the investment funds currently available to the Plan. The allocation you make among the investment funds must total 100%.
- 2. Separate Elections.** You may make separate elections as to the investment of existing contributions in your Account and any future contributions that may be allocated to your Account.
- 3. Changes to Investment Elections.** You can change your investment directives as of any business day. The Plan Administrator will provide you with more information on the procedure for changing your investment elections.
- 4. No Investment Election.** If you do not direct the investment of your Account, then your Account will be invested in the investment fund which the Plan Administrator determines best preserves the assets of your Account.
- 5. Investment Fund Information.** Information about the investment funds is provided separately from this document and is available from the Plan Administrator. Please read this information, including the applicable prospectus for each fund, carefully, before making your investment selection. It is also important that you continue to monitor the performance of the investment selections and consider your own financial risk tolerance and objectives. The trustees, the Plan Administrator and other fiduciaries of the Plan (i.e., the persons who control the investment of the investment of Plan assets) may be relieved of liability for any investment losses which are the direct and necessary result of investment instructions given by a participant under the Plan. In other words, the Plan fiduciaries are responsible for choosing what investment options and investment managers are available under the Plan, and you are responsible for choosing how to invest your account among the available options. You must determine the best investment mix given your own situation; the Plan fiduciaries are not responsible for your investment choices.

### C. Investment Risk

1. **Valuations.** The assets of the Plan are valued each business day (the “**Valuation Dates**”). The benefit of investment gains and the risk of investment both flow to the Accounts of Participants. Your Account will be adjusted, up or down, for investment earnings and losses that are attributable to your Account’s investment performance. There is no guarantee that investment success will be achieved or that losses will not occur. In addition, each Account may be charged with a pro rata share of the cost of administering the Plan and the Trust Fund.
2. **Account Statements.** You will receive a statement of your Account at least annually. The statement will show the value of your Account and your share of the interest, dividends, investment gains, investment losses and expenses that were allocated to your Account. It is important that you review your statement carefully. If you find a mistake or discrepancy on your statement, you should inform the Trustee and the Plan Administrator immediately.

## SECTION 5 VESTING AND BENEFITS

### A. Vesting

You are always 100 percent vested in your Account. This means that if you terminate employment with the City at any time, you are entitled to a distribution of your entire Account. If you die while you have an Account, your beneficiary will be entitled to your Account.

You should designate a beneficiary to receive your benefits under the Plan in the event of your death. All of the forms needed to designate a beneficiary or the change a beneficiary designation are available from the Plan Administrator. *If you fail to make a beneficiary designation, or if your designated beneficiary does not survive you, or the Plan Administrator cannot locate your beneficiary within one year after your death, the Plan provides for automatic payment of your account to your spouse if you are married, or to your estate if you are not married.*

### B. Distribution of Benefits

1. There are Automatic Forms of Distribution and Optional Forms of Distribution enumerated in the Supplemental Pension Plan Document. Under the Automatic Forms of Distribution, you may have (a) Retirement Benefits and (b) Death Benefits. The Automatic Form of Retirement Benefit for a Participant who does not die before his Annuity Starting Date shall be a single lump sum payment. The Automatic Form of Death

Benefit for a Participant who dies before his Annuity Starting Date shall be a single lump sum payment to the Participant's Beneficiary.

The Optional Forms of Distribution of Benefits are:

- a) The Optional Forms of Retirement Benefit shall be the following: (i) a straight life annuity; (ii) single life annuities with certain periods of 5, 10, or 15 years; (iii) a single life annuity with installment refund; (iv) survivorship life annuities with installment refund and survivorship percentages of 50%, 66 2/3%, 75%, or 100%; (v) fixed period annuities for any period of whole months that is not less than 60; (vi) a fixed period installment option; and (vii) a fixed payment installment option.
- b) Death Benefits. The Optional Forms of Death Benefit are a single lump sum payment and any other form that is an optional form of retirement benefit.

**2. Distribution upon Severance from Employment (Other than Death).**

The Plan will not distribute your benefits prior to the April 1 after the year in which you turn age 70 ½ without your consent. You may request an earlier distribution any time after your Severance from Employment. The Plan Administrator can provide you with instructions on how to request a distribution. Generally, your benefits will be distributed no later than 60 days following the end of the calendar quarter in which you request a distribution of your Account.

If you have a Severance from Employment but leave your Account in the Plan, you will continue to be able to direct the investment of your Account in the same manner as an active Employee. Your Account will also be adjusted for earnings and losses that accrue after your severance from employment.

**Note:** A Participant's Account under the Plan shall be forfeited, reduced, or limited in the manner and to the extent provided under O.C.G.A. Section 47-1-21 through Sections 47-1-25, if convicted of a public employment, drug related or other covered crime.

**C. Form of Payment**

Your Account will be distributed to you or your beneficiary, if applicable, as directed in the Distribution of Benefits section above.

**D. Mandatory Distributions at age 70 1/2**

Distribution of your Account must commence by the April 1 following the calendar year in which you attain age 70 ½ or the calendar year in which you retire, whichever is later.

**E. Tax Treatment of Distributions**

Any distribution in this Section 5 that is made to you from the Plan will be subject to the following rules:

- You may elect a direct rollover of all or part of your distribution from the Plan to an IRA or other qualified employer retirement plan.
- Any portion of your distribution that is not rolled over to an IRA or qualified plan will be subject to mandatory 20% income tax withholding.
- All distributions to you are subject to a mandatory 30-day waiting period unless you specifically waive the waiting period.

**F. In-service Distributions and Benefits**

You may not take a distribution of your Account before you terminate employment; nor may you take a loan from your Account.

**SECTION 6  
DISPUTED CLAIMS PROCEDURE**

Subject to the provisions of this article, the Plan Administrator has complete control of the administration of the Plan. The Plan Administrator has all the powers necessary for it to properly carry out its administrative duties. Not in limitation, but in amplification of the foregoing, the Plan Administrator has complete discretion to construe or interpret the provisions of the Plan, including ambiguous provisions, if any, and to determine all questions that may arise under the Plan, including all questions relating to the eligibility of Employees to participate in the Plan and the amount of benefit to which any Participant, Beneficiary, or Contingent Annuitant may become entitled. The Plan Administrator's decisions upon all matters within the scope of its authority shall be final.

Unless otherwise set out in the Plan or Annuity Contract, the Plan Administrator may delegate recordkeeping and other duties which are necessary to assist it with the administration of the Plan to any person or firm which agrees to accept such duties. The Plan Administrator shall be entitled to rely upon all tables, valuations, certificates and



reports furnished by the consultant or actuary appointed by the Plan Administrator and upon all opinions given by any counsel selected or approved by the Plan Administrator.

The Plan Administrator shall receive all claims for benefits by Participants, former Participants, Beneficiaries, and Contingent Annuitants. The Plan Administrator shall determine all facts necessary to establish the right of any claimant to benefits and the amount of those benefits under the provisions of the Plan. The Plan Administrator may establish rules and procedures to be followed by claimants in filing claims for benefits, in furnishing and verifying proofs necessary to determine age, and in any other matters required to administer the Plan.

If you have a complaint about the Plan's operation or about your Plan benefits, you have the right to have the complaint reviewed by the Plan Administrator. Complaints and claims for benefits should be submitted in writing.

If you or, in the event of your death, your beneficiary has applied for a benefit under the Plan and you have been denied that benefit, in whole or in part, or your claim has been ignored, you have the right to have that benefit denial reviewed by the Plan Administrator.

You or your beneficiary will be notified in writing by the Plan Administrator of the full or partial denial of benefit. The written statement will outline:

- the specific reasons for the denial,
- the provisions of the plan on which the denial is based,
- the procedures for having your request reviewed, and
- additional information needed to process the request and an explanation of why this information is necessary.

You, your beneficiary, or your representative may then ask for a review of the denied request within 60 days after the notice of denial has been received.

To appeal a denied request, you must request a review by the Plan Administrator. This request must be in writing and include:

- the reasons you believe the distribution is payable to you,
- the reasons the request for distribution should not be denied, and
- any other appropriate issues or comments.

You, your beneficiary or your representative may also request in writing that copies of the Plan document be made available for examination. The City has the right to charge a fee for copies of the Plan document.

The Plan Administrator normally will reach a decision no later than 60 days after it receives a request for review. If needed, the Plan Administrator will send you a written notice of an extension of the 60-day period.

The Plan Administrator's decision will be in writing and will include specific reasons for the decision and references to the Plan provisions that apply.

## **SECTION 7 MISCELLANEOUS INFORMATION**

### **A. Qualified Domestic Relations Orders**

The Plan specifically permits distributions to an Alternate Payee under a qualified domestic relations order as defined in Code Section 414(p), at any time, irrespective of whether the Participant has attained his earliest retirement age, as defined in Code Section 414(p), under the Plan. A distribution to an Alternate Payee before the Participant has attained his earliest retirement age is available only if the order specifies that distribution shall be made prior to the earliest retirement age or allows the Alternate Payee to elect a distribution prior to the earliest retirement age. Nothing in this section shall permit a Participant to receive a distribution at a time otherwise not permitted under the Plan nor shall it permit the Alternate Payee to receive a form of payment not permitted under the Plan.

The benefit payable to an Alternate Payee shall be paid in a single lump sum, if the value of the benefit does not exceed \$5,000.

The Plan shall make payments or distributions required under this section by separate benefit checks or other separate distribution to the Alternate Payee(s).

### **B. Non-Alienation of Benefits**

Except with respect to federal income tax withholding, benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary, including any such liability which is for alimony or other payments for the support of a Spouse or former spouse or for any other relative of the Employee, prior to actually being received by the person entitled to the benefit under the terms of the Plan; and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge or otherwise dispose of any right to benefits payable hereunder, shall be void.

**C. Loss of Benefits**

Benefits may be lost due to adverse investment experience, the operation of limitations presently in the Internal Revenue Code or hereafter introduced, the imposition on such benefits of income, penalty and excise taxes, and the application of a qualified domestic relations order.

**D. Plan Amendment, Modification or Termination**

The Employer expects to continue the Plan indefinitely but reserves the right to amend or terminate the Plan in whole or in part at any time upon giving written notice to all parties concerned. The Account of each Participant shall be 100% vested and nonforfeitable as of the effective date of complete termination of the Plan. The Account of each Participant who is included in the group of Participants deemed to be affected by the partial termination of the Plan shall be 100% vested and nonforfeitable as of the effective date of the partial termination of the Plan. The Participant's Vested Account shall continue to participate in the earnings credited, expenses charged, and any appreciation or depreciation of the Investment Fund until his Vested Account is distributed.

Upon complete termination of the Plan, no more Employees shall become Participants and no more Contributions shall be made. The assets of this Plan shall not be paid to the Employer at any time, except that, after the satisfaction of all liabilities under the Plan, any assets remaining may be paid to the Employer. The payment may not be made if it would contravene any provision of law.

**SECTION 8  
PLAN INFORMATION**

- |           |                           |  |
|-----------|---------------------------|--|
| <b>A.</b> | <b>Plan Name</b>          | <b>City of Marietta Supplemental Pension Plan</b>  |
| <b>B.</b> | <b>Plan Sponsor</b>       | <b>City of Marietta, Georgia<br/>205 Lawrence Street NE<br/>Marietta, Georgia 30060</b>  |
| <b>C.</b> | <b>Plan Year</b>          | <b>Calendar Year</b>   |
| <b>D.</b> | <b>Plan Administrator</b> | <b>Pension Board<br/>c/o Director of Human Resources/<br/>Pension Board Secretary<br/>205 Lawrence St NE<br/>Marietta, Georgia 30060</b> |
| <b>E.</b> | <b>Trustee</b>            | <b>ICMA-RC<br/>777 North Capitol St NE<br/>Washington, DC 20002-4240</b>   |