

COUNCIL BILL NO.: 327891

ORDINANCE NO.: 4905

AN ORDINANCE

AMENDING the Consolidated Retirement Plan for the Employees of the City of Marietta, Georgia adopted by Ordinance No. 4532.

NOW, THEREFORE, BE IT HEREBY ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF MARIETTA, GEORGIA, THAT:

Section 1: Section 10 of Article II is amended in its entirety to read as follows:

"Section 10. Full - time Employee. "Full - time Employee" shall mean a person who is regularly employed for at least thirty (30) hours per week in the services of the City and Marietta Board of Lights and Water, or any person who is an elected or appointed member of the Governing Authority.

The term "Full - time Employee shall not include:

(a) Employees, other than elected and appointed members of the Governing Authority, who regularly work less than thirty (30) hours per week in the service of the City;

(b) Any person employed by the City to perform scientific, technical, engineering, accounting, legal or similar expert services in a consulting capacity;

(c) Any person employed for less than five (5) months in any year or on a retainer contract or fee basis; or

(d) City Solicitor and Chief Judge - Municipal Court for the City."

Section 2: New Section 27, 28 and 29 are hereby added to Article II to read as follows:

"Section 27. Part - time Employee. "Part - time Employee" shall mean a person who is regularly employed for less than thirty (30) hours per week in the services of the City and Marietta Board of Lights and Water.

Section 28. Seasonal Employee. "Seasonal Employee" shall mean a person who is regularly employed for at least thirty (30) hours per week for less than five (5) months in any year.

Section 29. Temporary Employee. "Temporary Employee" shall mean a person who performs services under a contractual agreement for a duration not exceeding two (2) years."

Section 3: Section 6 of Article VI is hereby amended in its entirety to read as follows:

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"Section 6. Vesting. A Participant who is a Full - time Employee and who has completed at least five (5) years of Service shall have his Credited Service vested and the Break in Service rules as set forth in Section 4 of this Article shall not operate to deprive him of his accumulated Credited Service.

Part - time Employees, Seasonal Employees and Temporary Employees shall become vested immediately upon meeting the requirements for participation in the Plan as set forth in Section 1 of Article III and the Break in Service rules shall not operate to deprive them of accumulated Credited Service."

Section 4: A new Section 5 is hereby added to Article VII to read as follows:

"Section 5. Mandatory Lump Sum Cashout. If the Actuarial Present Value of a benefit payable under the Plan to a vested Part - time Employee, Seasonal Employee or Temporary Employee is \$3,500 or less as of the date such Employee terminates his employment, the Pension Board shall distribute in a single sum an amount equal to that value. For this purpose, Actuarial Present Value shall be determined in accordance with Section 1 of Article II, except that the interest assumption shall be the net investment return rate utilized for the actuarial valuation as of the November first of the year preceding the year of distribution. This benefit shall be distributed prior to the last day of the calendar year in which the Part - time Employee, Seasonal Employee or Temporary Employee terminates his employment."

Section 5: Section 1 of Article III is amended by deleting the second and sixth paragraphs, and substituting in lieu thereof new paragraphs as follows:

"Each new Employee hired on or after July 1, 1990 shall become a Participant in the Plan at the alter of July 1, 1991 or the first day of the month coinciding with or next following his date of employment."

"A full - time contract Employee may elect, in writing, not to participate in the Plan. However, once such an election is made, he may not change the election at a later time to again participate in the Plan."

Section 6: This Amendment shall become effective on July 1, 1991.

Section 7: It is hereby declared to be the intention of this Ordinance that its sections, paragraphs, sentences, clauses, phrases and words are severable, and if any section, paragraph, sentence, clause, phrase or word of this Ordinance is declared to be unconstitutional or invalid, it shall not affect any of the remaining sections, paragraphs, sentences, phrases or words of this Ordinance.

Section 8: All Ordinances or parts of Ordinances in conflict with this Ordinance are hereby repealed.

Section 9: This Ordinance shall become effective upon the signature or without the signature of the Mayor, subject to Georgia laws 1983, page 4119.

DATE: June 12, 1991


APPROVED: Joe Mackle
MAYOR AND COUNCIL

ATTEST:

John R. Hill
CITY CLERK

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M E M O R A N D U M

DATE: May 23, 1991
TO: Personnel Committee Members
THRU: Ken Vanderslice, City Manager
FROM: Nancy Martin, Director of Human Resources 
SUBJECT: Revision to Pension Plans

ISSUE: Effective after 6/30/91 municipal employees must become covered under Social Security if not covered by a "retirement system" under Section 11332 of OBRA '90.

BACKGROUND INFORMATION: Current full time employees serving their first year of employment, seasonal, part time and temporary employees do not currently participate in the City's pension plan. These employees under this new federal law are required to either participate in the City's pension plan or be covered by Social Security.

Jim Siewert of Martin E. Segal Company, the Pension Plan's actuaries have researched this law and have recommended to the Pension Board and to the City Council that all of the above employees should be included as participants in the Consolidated Pension Plan. However, part time, seasonal and temporary employees who terminate their services would receive a mandatory cash-out of their benefit by the end of the calendar year in which they terminate their employment.

The Pension Board has approved the changes as outlined in the attached Ordinance and forwards their recommendation to Council.

FINANCIAL CONSIDERATIONS: Mr. Siewert indicates that the costs of this cash-out program is minimal and is not expected to impact the City's contribution rate at this time. In addition, the inclusion of the first year of full time employees will not impact the contribution rate due to the fact that in the valuation study for vesting purposes, the first year is already included to determine the soundness of the plan.

RECOMMENDATION: That the recommendation of the Pension Board as described in the attached Ordinance be approved.