Augusta GEORGIA

Administrative Services Committee Meeting Committee Room- 4/29/2009- 12:40 PM

ADMINISTRATIVE SERVICES

1. Motion to approve 09-114 Special Services Contract with Consolidated Mailing Services, LLC. Attachments

2. Motion to approve a Resolution for Support of Vantage Development, LLC's Application for Tax Credits to the State's Department of Community Affairs for the Crest at Edinburgh Housing Project. Attachments

3. Approve GMEBS DB Retirement Plan Amendment with immediate vesting for SES and extra 5 years of service credit for SES in case of RIF. Attachments

4. Approve the attached Proposed Homelessness Prevention and Rapid Re-Housing Projects and on behalf of the City, authorize the Housing and Community Development (HCD) Department to amend the City's 2008 Action Plan and submit an application for $927,319 in Homelessness Prevention and Rapid Re-Housing Program (HPRP) Funds to HUD. Attachments

5. Discussion of reprogramming of $878,108 in Community Development Block Grant (CDBG) and HOME Investment Partnerships Funds. Attachments

Administrative Services Committee Meeting
4/29/2009 12:40 PM
09-114 Special Services Contract - Consolidated Mailing Services, LLC

Department: Procurement

Caption: Motion to approve 09-114 Special Services Contract with Consolidated Mailing Services, LLC.

Background: The City of Augusta had an open ended contract with AccuData Solutions. The City was notified that Consolidated Mailing Services, LLC had recently purchased Accudata Solutions. Consolidated also owns National Mail Services of CSRA. Both Accudata Solutions and National Mail Services will be relocated to 1026 Fenwick St by the end of March 2009. Services to be provided by Consolidated Mailing Services, LLC will include but not limited (see proposed contract) to providing printing, rendering, inserting, mailing services as agreed to by the City. The services (collectively referred to as the "Services"), as selected by City, will be performed to the City's specifications and within a reasonable time period, as agreed to with City. These services will be provided to ALL of the current user department to include but not limited to: License & Inspections, the Courts, Tax Assessor, Tax Commission and the Utilities Departments. Note: The Augusta's Print Shop will print all billing envelopes for the various departments reducing the printing cost for envelopes at an estimate of 40 %.

Analysis: March 26, 2009 –A meeting took place with all of the City's current users. March 31, 2009 – The current users along with the Procurement Department met with Consolidated Mailing Services, LLC to discuss, new and added services along with a discussion of past performance and reporting methods. The Procurement Department searched for other local vendor who could provide the mail services as required by Augusta with the required certification from the United States Postal Services no other company was located within our immediate area. It was the consensus of all users and the Procurement Department to proceed with the process through a Special Services Contract with a local vendor addressing the City's needs. The Process Followed: Sec. 1-10-46. Authority to contract for special services. As used in this section, special services are those professional services, such as those provided by physicians, architects, ministers, engineers, accountants and attorneys, which are normally obtained on a fee basis. In the procuring of professional services those departments which normally utilize such services may contract on their behalf for such service in accordance with this article provided that the following requirements are met: (a) The department must solicit the best possible contract with the person providing the professional service. (b) Negotiation with the person providing professional services shall include the department head and the Augusta-Richmond County Administrator. (c) The department shall obtain the approval of the Commission. (d) On those special services in Augusta-Richmond County, where another department head's expertise and recommendations can be of special use, the department procuring such service shall seek the advice of such department head. (e) The Commission shall have the authority to continue a contract for professional services from year to year when it is in the best interest of Augusta-Richmond County. (f) Depending on the type of the service that is involved, Augusta-Richmond County should look beyond price estimates or bids, to qualifications of the bidder. Cost of the work to be performed should not be given primary and dominant weighing in selecting the professional bidder. The technical factors and qualifications of the staff and firm should be also considered.

Financial Impact:	Funding for the services was approved within each user department's budget for the services described in the attached proposed contract.
Alternatives:	1. Approve a contract with Consolidated Mailing Services pending the Law Department approval of the proposed special services contract. 2. Do not approve the request 3. Require the Procurement Department to use another method of securing a "Mail Services Contract" (Request for Proposals or Request for Qualifications).
Recommendation:	The User Departments' along with the Procurement Department's recommendation is to approve the contract to Consolidated Mailing Services pending the Law Department's approval of the attached contract.
Funds are Available in the Following Accounts:	Available within each User Department's 2009 Budget

REVIEWED AND APPROVED BY:

Finance.
Law.
Administrator.
Clerk of Commission

Augusta / Richmond County
Proposal for Mailing Services
Consolidated Mailing Services, LLC

Executive Summary

Consolidated Mailing Services, LLC has recently merged Accudata Solutions and National Mail Services into a combined operation at 1026 Fenwick Street, Augusta, GA 30901. This new facility currently has 28 employees and is growing.

Our market specialty markets are Utility billing, Medical Billing, Tax and Tag notices and other variable data mailings. We have been in these markets for over 10 years and offer a complete billing and mailing system. We constantly improve processes to reduce the major cost associated with billing and postage. Most mailers offer "canned" packages that force you to adapt to their system. Our system allows for customization to meet Richmond County's changing needs and requirements.

We value our customers and stay on the cutting edge of technology to ensure they receive maximum services at the lowest prices. We presort to achieve the maximum postage discount and take it a step further. We combine every address match which saves money in postage, insert costs, envelope costs and saves the customer from getting multiples bills. Our system allows for almost limitless custom messaging. Addresses are standardized and corrected. If desired, we can offer either NCOA or Address Services Updates to meet USPS move update compliance. We offer the new IMB barcodes to ensure maximum postage discounts.

Totals are compiled and errors are detected before any printing or mailing. Our on-line quality procedures ensure duplicate bills or mixed inserting does not occur.

Consolidated Mail has its own printing facility to minimize cost of operations. We can produce all components of your mailing in-house including envelopes, forms, and 1-color or 4- color inserts. We can provide a one-stop-shop experience for all your printing and mailing needs. Additionally, we have a back-up facility for Disaster Recovery. Accucdata now has a sister company, G & H Mail in Columbia, SC

Annual Rebate Proposal:

We appreciate the 10-year relationship that has existed between Accudata Solutions and Augusta/ Richmond County. We strive to establish a relationship that will continue for years into the future. Consolidated Mailing Services believes it is our responsibility to continually improve our processes and lower our cost of doing business. Establishing long-term relationships makes that easier to accomplish. Consolidated Mailing Services would like to establish a 5-year term agreement that shares these anticipated savings based on annual dollar volume of work (without postage $). We propose the following annual rebate to Augusta / Richmond County based on doing all the work outlined in this document.

Year 1 – 2009 – Rebate of 3% due 1/31/2010
Year 2 – 2010 – Rebate of 4% due 1/31/2011
Year 3 – 2011 – Rebate of 5% due 1/31/2012
Year 4 – 2012 – Rebate of 6% due 1/31/2013
Year 5 – 2013 – Rebate of 7% due 1/31/2014

Specific Services Provided for Augusta / Richmond County

Augusta Utilities – 800,000 per year

Detailed Cost Estimates

1. Cost of printing and mailing each utility bill.	0.085
2. Cost of custom messages	Free
3. Cost of additional inserts	0.01
4. Charge for bill pulls	Free
5. Charge for collating and returning to THE CUSTOMER the pull bills	Free
6. Charge for selective inserting and selective messaging	Free
7. Costs for any optional services.	Below
8. Average Postage per bill for similar sized customer	0.327

Note: Postal increase goes in affect May 11. 2009

Additional Cost

Orange Paper for cutoff notices - $.03 each
Combining Bills for postal savings - $.05 each
Postage on your permit except overweight pieces metered and billed at actual postage.

Remittance Processing Lockbox Services – 265,000 per year

Daily Courier - $25
Daily File Setup and Transfer - $5
Daily Remittance Report - $50
Monthly CD - $100
Each Item Processed - $.125

Tax Commission Office – 95,000 per year

Program changes, CASS Certify, Print – 1 side, fold, insert bill and #9 envelope into #10 envelope - $.085 each
Additional insert - $.01 each
24 lb Bond paper - $.01 each

First Class pre-sort postage on your permit

Court Notice Calendar Clerk – 25,000 per year

Print Court Notices on Demand Daily - $.165 each

First Class Postcard rate postage

Court Notice District Attorney - 25,000 per year

Print Court Notices on Demand Daily - $.165 each

First Class Postcard rate postage

Business License Forms – 20,000 per year

Program changes, CASS Certify, Print – 1 side, fold, insert bill and #9 envelope into #10 envelope - $.085 each
Additional insert - $.01 each
24 lb Bond paper - $.01 each
Printing Indicia on envelopes - $.02 each

First Class pre-sort postage on your permit

Jury Summons – 17,000 per year

Print – 1 side, fold, insert bill and #9 envelope into #10 envelope - $.125 each
Additional insert - $.01 each
24 lb Bond paper - $.01 each
Print additional pages-$.02 each

Postage at USPS presort rates – currently $.394 for 1 ounce piece
Note – Includes hand stuffing in envelopes

Tax Assessors Office - Varies year to year

CASS Certify, Print – 1 side, fold, insert bill and #9 envelope into #10 envelope - $.085 each
Additional insert - $.01 each
24 lb Bond paper - $.01 each
P Printing Indicia on envelopes - $.02 each
Print additional pages-$.02 each

Personal/ Business Property Tax Returns - $.16 each

Miscellaneous Printing

Payroll

Time Sheets - $.045 plus paper

HR

Time Cards - $.045 paper supplied

Clerk of Courts

Grantee Reports, Grantor Reports, Direct Reports, Indirect Reports,

Duplex Print - $.04 each
3-hole punch Paper - $.012 each

Additional Services

Free Pickup of Envelopes and Forms from ARC print shop – no charge

Storage and Inventory Management of Envelopes and Forms – no charge

Consulting Services Related to changes in US Postal Service Policies and Rates – no charge

NCOA link – Move Update compliance - $.01 per piece with $200 maximum per job

Programming changes and additions - $60 per hour

PDF Copy of data - $50 per job

First Class Presort Mail Services for Daily Mail – will generate annual savings of over $20,000 for Augusta / Richmond County - no charge and postage rebates to ARC (Separate Proposal Prepared for this service)

Customer Service Capabilities

Our existing customers can best vouch for our customer service. We are prompt to meet your requests and strive to "WOW" you with our Customer Service. If an issue arises, we will do what is necessary to immediately rectify the problem.

We are easy to reach by phone or email. Your key contacts will be:

Robin McCoy – Customer Service Liaison

RobinMcCoy@accudata.comcastbiz.net
Work 706-504-4198
Cell 706-631-8575
For any day to day file transfers, schedules, forms and envelope issues.

Kris Blakeney – Operations Manager

kris@solutionsasi.com
Work 706-504-4198
Cell 803-640-2010
For any technical questions pertaining to the billing, or for any general information regarding the ARC account.

Bob Davis – Managing Agent / Owner

redavis@bellsouth.net
706-504-4198
Cell 706-832-1180
Home 706-650-8456
For any inquiries at any time when Robin or Kris are not available

Successful Experience with Other Utilities and Government Agencies

Consolidated Mail Services has a long-term commitment to our customers.

We have mailed utility bills, tax bills, and other notices for Augusta-Richmond County GA for over 10 years, Columbia County for over 8 years, City of Aiken for over 6 years, and City of North Augusta for over 6 years.

References

John Potter
Finance Director
City of North Augusta
803-441-4215

Margot Martin
Utilities Accountant
City of Anderson
864-231-2207

Darwin Reed
City of North Myrtle Beach
1018 2nd Avenue South
North Myrtle Beach, SC 29582
(843) 280-5681

Jerry Channell
Business Office Manager
Columbia County GA
(706) 863-6928

DRAFT - Pending approval of the Law Department

Consolidated Mailing Services, LLC
Retail Lockbox Service Contract

The Contract made and entered into this _____ day of ____________, 20__ by and between Consolidated Mailing Services, LLC and *Augusta, Georgia, a political subdivision of the State of Georgia* (hereinafter referred to as "Customer").

The parties named above agree Consolidated Mailing Services, LLC shall provide Retail Lockbox Service to the Customer under the following terms and conditions:

1. It is the responsibility of the Customer to notify its payors that remittances shall be mailed to Customer at a remittance address agreeable to both parties. Consolidated Mailing Services, LLC shall pick up mail at an agreed to local specified address or the Customer shall have such remittances delivered to Consolidated Mailing Services, LLC for processing Consolidated Mailing Services, LLC will pick up mail according to Consolidated Mailing Services, LLC processing Schedule B, which may be amended from time to time by customer and Consolidated Mailing Services, LLC

2. Consolidated Mailing Services, LLC shall use its Remittance Processing equipment and programs to capture payment information for each payment received, provided such payments are accompanied by machine readable coupons which meet the formats and specification required by Consolidated Mailing Services, LLC.

3. Customer authorizes Consolidated Mailing Services, LLC to endorse all checks on their behalf and deposit said checks to the Customer's business office or to a local depository bank for deposit to Customer's account.

4. Customer has sole responsibility to resolve disputed items deposited with the Customer's bank. Consolidated Mailing Services, LLC has no responsibility and is absolved of any dispute.

5. Consolidated Mailing Services, LLC shall provide the Customer with a Remittance Detail Report reflecting all payment information. This report shall be provided in the medium specified by the Customer. Examples of payment media include printed media include printed reports, diskettes, or data transmission.

6. Consolidated Mailing Services, LLC shall not process any item not accompanied by a valid payment coupon, or any payment whose coupon cannot be read by Consolidated Mailing Services, LLC system. These non-processable items shall be delivered by courier the following day to the Customer for further handling.

7. Consolidated Mailing Services, LLC shall create a microfilm record of payments processed and will deliver the developed film to the City of Augusta as film canisters are filled. The film will be property of the City of Augusta.

8. Consolidated Mailing Services, LLC shall maintain a temporary backup file of all payments processed. This backup file is the sole basis for recreating work which may be required in the event that the transmitted output by Consolidated Mailing Services, LLC to the Customer is unusable. It is the Customer's responsibility to promptly (within 3 business days at no additional charge) report to Consolidated Mailing Services, LLC if there is a problem with any data provided so the data can be retrieved prior to the erasure of the backup.

9. Consolidated Mailing Services, LLC and the Customer shall each make available to the other the names and phone numbers of operational contacts who should be notified in the event of any processing difficulties experienced by either party.

10. Charges for this service are provided in the attached Proposal. Consolidated Mailing Services, LLC may amend within ninety (90) days prior to renewal of contract any fees set forth in the attached proposal effective with renewal. Augusta Richmond County has the rights to refuse or reject any proposed increases to this contract.

11. The Customer agrees to, hold harmless Consolidated Mailing Services, LLC from and against any and all expenses, cost, claims, causes of action, and liabilities resulting from claims by third parties, which directly or indirectly arise from the handling of, and credit given for, remittance items handled under this contract, it being understood that Consolidated Mailing Services, LLC acts herein as agent for the Customer.

12. Consolidated Mailing Services, LLC shall not be liable to Customer or any other party for additional damages to include consequential damages, except in the case of gross negligence, fraud, or willful misconduct on Consolidated Mailing Services, LLC part.

13. Strikes, fires, shortages of labor or materials, severe weather, natural disasters, or Consolidated Mailing Services, LLC processing systems, or other causes beyond the control of Consolidated Mailing Services, LLC which shall affect Consolidated Mailing Services, LLC ability to perform hereunder shall constitute valid grounds for suspension of Consolidated Mailing Services, LLC performance standards until such time as the event causing the delay has ceased to affect Consolidated Mailing Services, LLC ability to perform.

14. Termination of this contract may be made by either party upon ninety (90) days written notice of the other. This contract shall remain in full force and effect after the effective date of cancellation with respect to items previously received and processed hereunder.

15. This contract, together with all exhibits referenced herein, constitutes the entire contract between the Consolidated Mailing Services, LLC and the Customer and supersedes all other proposals, oral or written, between the parties on this subject. This contract may be modified only in writing and with the mutual consent of the parties hereto. This contract shall be construed and regulated under and by the laws of the State of Georgia.

16. Consolidated Mailing Services, LLC agrees to safeguard Customer's confidential or proprietary information to the same extent that Consolidated Mailing Services, LLC safeguards confidential and proprietary information in its own business, Consolidated Mailing Services, LLC agrees to take all reasonable steps to prevent the disclosure, publication, or dissemination of Customer's confidential or proprietary information to any other person, entity, or governmental agency, except where and to the extent specifically required by law.

17. In all cases, the parties agree to use all reasonable effort to carry out the letter and spirit of this Contract and to use good faith and commercial reasonableness in their dealing with one another.

18. All claims, disputes and other matters in questions between the Customer and Consolidated Mailing Services, LLC arising out of or relating to the contract, or the breach thereof, shall be decided in the Superior Court of Richmond County, Georgia. Consolidated Mailing Services, LLC, by executing this Contract, specifically consent to venue in Richmond County and waive any right to contest the venue in the Superior Court of Richmond County, Georgia.

19. Any and all Consolidated Mailing Services, LLC employees who are to pick up, transport or deposit or otherwise handle checks belonging to Augusta, or who are involved in accounting to Augusta for such monies, pursuant to this contract shall be bonded in an amount not less than $50,000.

20. Consolidated Mailing Services, LLC shall maintain at all times, or shall cause its courier to maintain at all times during the term of this Contract, at Consolidated Mailing Services, LLC sole expense, comprehensive and general public liability insurance coverage against claims for personal injury, death and/or property

damage occurring in connection with the performance of this Contract, with limits of coverage of not less than $500,000 for personal injury (including death) per person and $1,000,000 per occurrence and not less than $100,000 for property damage.

21. The parties agree that they are not joint ventures or partners for any purposes, but that Consolidated Mailing Services, LLC acts as an independent contractor of the Customer. The Customer acknowledges and agrees that it cannot and shall not control the time, method, and/or manner of performance under this Contract.

22. This Contract shall be for an initial term five (5) years, and shall automatically renew for additional term of one (1) year up to five (5) years unless either party indicates, in writing and at least 90 days' prior to the scheduled expiration of the current term, its desire to cancel the Contract, or unless the Contract is terminated in accordance with Section 14 above.

23. Consolidated Mailing Services, LLC will provide annual rebate to Augusta/Richmond County based on doing the work outlined in this document and the attached proposal (Attachment A) with the exception of the following:
    - **Printing Envelopes** (which was agreed upon that Augusta/Richmond County Print Shop will print ALL envelopes for its billing).

    Year 1 – 2009 – Rebate of 3% due 1/31/2010
    Year 2 – 2010 – Rebate of 4% due 1/31/2011
    Year 3 – 2011 – Rebate of 5% due 1/31/2012
    Year 4 – 2012 – Rebate of 6% due 1/31/2013
    Year 5 – 2013 – Rebate of 7% due 1/31/2014

24. Any Augusta Richmond County Department can be added under this Contract as necessary and agreeable to both the city and the Consolidated Mailing Services, LLC.

IN WITNESS WHEREOF, Consolidated Mailing Services, LLC, Inc. and the Customer have caused this Contract to be executed by their duly authorized officers and to be effective as of the day and year first above noted.

Consolidated Mailing Services, LLC

By: ______________________________

Print Name: ______________________

Title: ___________________________

Customer, Authorized Representative

By: ______________________________

Print Name: ______________________

Title: ___________________________

Attest: __________________________

____

Departments to be included:
District Attorney
License & Inspections Department
State Court
Superior Court
Tax Assessor
Tax Commission
Utilities Department

Administrative Services Committee Meeting
4/29/2009 12:40 PM
Crest at Edinburgh Tax Credit Application

Department: Housing & Community Development Department

Caption: Motion to approve a Resolution for Support of Vantage Development, LLC's Application for Tax Credits to the State's Department of Community Affairs for the Crest at Edinburgh Housing Project.

Background: The Georgia Department of Community Affairs (DCA) has Low-Income Tax Credits available which are used to improve the living environment and housing throughout Georgia. Vantage Development, a development company, located in Fyffe, Alabama, plans to submit an application to DCA for Low-Income Tax Credit funds. The deadline for the application is May 21, 2009. The funds will be used to construct 40 Single Family Rental Homes. The proposed project will be located in South Augusta, south of Gordon Highway, north of Milledgeville Road, west of Sibley Road and east of Bayvale Road. The total development cost is approximately $7.5 million. A breakdown of the budget is listed below: SOURCES: Debt $568,693 Tax Credit Proceeds $6,875,260 Total Sources $7,443,953 USES: Land Acquisition $220,000 Construction $5,546,700 Soft Costs $ 1,543,713 Reserves $133,540 Total Uses $ 7,443,953 Vantage Development is seeking the City's support of the project which is required for submission of the application to DCA. While the Housing and Community Development Department fully supports this development, Richmond's County "project of priority" (for the 2009 tax credit funding cycle) is the Underwood Homes, that the Augusta Housing Authority and Walton Communities, LLC, has made two (2) applications (Phase I & II) to the Georgia Department of Community Affairs (DCA) for tax credit approval.

Analysis: The 40 Single Family Homes will be a valuable resource of housing for the South Augusta area. If the tax credit application is approved, additional dollars will be forthcoming into the community which will have a tremendous impact on revitalization in Augusta.

Financial Impact: The financial impact will be a total of $7,443,953 being invested in the South Augusta area.

Alternatives: None recommended.

Recommendation: Approve City's Support of Vantage Development, LLC's Low-Income Tax Credit Application to DCA for the Crest at Edinburgh by way of the resolution hereto attached.

Funds are Available in the Following Accounts:

<u>REVIEWED AND APPROVED BY</u>:

Finance.
Law.
Administrator.
Clerk of Commission

Attachment number 1
Page 1 of 1

Item # 2

A RESOLUTION SUPPORTING VANTAGE DEVELOPMENT, LLC's APPLICATION FOR TAX CREDITS FOR THE CREST AT EDINBURGH HOUSING PROJECT TO BE LOCATED IN SOUTH AUGUSTA.

WHEREAS, the Georgia State Department of Community Affairs serves a vital role in its efforts in assisting with the development of housing in the State of Georgia by:

- Improving the living environment for residents of Georgia;
- Revitalizing areas and contributing to the improvement of neighborhoods; and
- Building sustainable communities; and

WHEREAS, the Department of Community Affairs has established certain regulations whereby low-income housing tax credit applications, to be competitive, must receive a Resolution of Support by the governing authority or the pertinent municipality or county; and

WHEREAS, Vantage Development is preparing an application for Low-Income Tax Credits from the Georgia Department of Community Affairs seeking funds which will be used to acquire land and construct 40 Single Family Rental Homes, which will convert to tenant ownership after a 20-year period of affordability; and

WHEREAS, this project is Phase II of the development of The Terrace at Edinburg Senior Housing Complex for which the Commission approved support of May 20, 2008; and

WHEREAS, the Commissioners understands and supports Vantage Development's efforts in the redevelopment of South Augusta, the City's "project of priority" (for the 2009 tax credit funding cycle) is Underwood Homes, that the Augusta Housing Authority and Walton Communities, LLC has made two (2) applications (Phase I & II) to the Georgia Department of Community Affairs for tax credit approval; and

NOW, THEREFORE BE IT RESOLVED: That the Augusta Commission, hereby adopts this Resolution of Support, on behalf of Vantage Development, LLC, for development of The Crest at Edinburgh to be located in South Augusta, effective the date set forth below.

ATTEST: **AUGUSTA, GEORGIA**

By: ______________________________
David S. Copenhaver
Mayor

____
Lena J. Bonner
Clerk of Commission

CERTIFICATION

I, Lena J. Bonner, Clerk of Commission, hereby certify that the above is a true and correct copy of a Resolution as adopted by said AUGUSTA-RICHMOND COUNTY COMMISSION in the meeting held on May 5, 2009.

S E A L

____
Lena J. Bonner
Clerk of Commission

Administrative Services Committee Meeting
4/29/2009 12:40 PM
GMEBS DB Retirement Plan Amendment

Department:	Human Resources
Caption:	Approve GMEBS DB Retirement Plan Amendment with immediate vesting for SES and extra 5 years of service credit for SES in case of RIF.
Background:	See attached amendment documents.
Analysis:	See attached amendment documents.
Financial Impact:	See attached amendment documents.
Alternatives:	Do not approve GMEBS DB Retirement Plan Amendment.
Recommendation:	Approve GMEBS DB Retirement Plan Amendment
Funds are Available in the Following Accounts:	

REVIEWED AND APPROVED BY:

Finance.
Law.
Administrator.
Clerk of Commission

GEORGIA MUNICIPAL ASSOCIATION

March 25, 2009

VIA EMAIL & U.S. MAIL

Mr. Roderick Powell
Human Resources Director
Augusta-Richmond County
530 Greene Street
Augusta GA 30911-4406

Re: DB Retirement Plan Amendment; Immediate Vesting for SES; Extra 5 Years of Service Credit for SES in Case of RIF

Dear Rod:

Per your request, enclosed please find a draft revised defined benefit (DB) retirement plan Adoption Agreement (AA) and Addendum for Augusta-Richmond County. The revised AA and Addendum would amend the plan to make the changes described below. Please note, after speaking with Robby yesterday, it appears necessary to change the trigger date for application of these new provisions from January 1, 2008 to January 1, 2009 in order to reflect the City's intent with regard to the "start date" for application of the reduction in force provision below (with Frank Thomas being the first and only SES participant so far to qualify for the extra 5 years of service credit). The enclosed drafts reflect this change.

Immediate Vesting for Senior Executive Service (SES) DB Plan Participants - Page 27 of the revised draft AA and new subsection 7.42(a) on page 28 of the revised draft Addendum provide that participants in the GMEBS DB plan who hold senior executive service (SES) positions listed in Addendum subsection 7.42(c) on or after January 1, 2009 will be considered immediately vested in their accrued normal retirement benefit under the GMEBS DB plan. The immediate vesting rule will also apply to any portion of the SES participant's accrued benefit under the GMEBS plan which is attributable to prior or future service that is creditable under the DB plan as a non-SES participant. Please note certain SES personnel may not participate in the GMEBS DB plan. Thus new subsection 7.42(a) also provides that if an individual holds a SES position but is not a participant in the GMEBS DB plan, the subsection will not apply.

Extra 5 Years of Service Credit for SES Participants Terminated Due to RIF – Section 7.42(b) on pages 23-24 of the revised draft Addendum also provides that participants in the GMEBS DB plan who are involuntarily terminated from employment with Augusta-Richmond County due to a layoff or reduction in force on or after January 1, 2009 while holding a senior executive service (SES) position listed in subsection 7.42(c) will be treated as having an additional five (5) years of credited service for purposes of computing the *amount* of any retirement or pre-retirement death benefit payable. The extra 5 years will also count for purposes of meeting the minimum service requirements for normal retirement, alternative normal retirement, and early retirement eligibility (e.g., 62 & 25 alternative normal retirement benefit), and for purposes of meeting the minimum service requirements for pre-retirement death benefit eligibility under the plan. In order to qualify for the additional 5 years of credited service, the following requirements must also be satisfied: (1) The participant's termination of employment must not be related to the participant's conduct, as determined by the Augusta-Richmond County Human Resources Director; (2) the participant must not return to Augusta-

Item # 3

Richmond County for at least one (1) year following termination of employment; (3) the participant must execute any and all waivers and/or releases required by Augusta-Richmond County in connection with the layoff or reduction in force; and (4) the Human Resources Director must provide GMEBS with written certification of the participant's eligibility for the additional credited service under subsection 7.42. If a person holding an SES position is not a participant in the GMEBS DB plan when they terminate employment, Addendum subsection 7.42 will not apply.

List of Senior Executive Service (SES) Positions - Section 7.42(c) of the revised draft Addendum includes the following list of SES positions to which the above provisions will apply, if the person holding the SES position is a participant in the GMEBS DB plan. Please note, if the City wants the above provisions to apply to other positions that are not on this list, the plan will have to be amended to modify the list accordingly.

POSITION	**DEPARTMENT**
Director	Information Technology
Director	Board of Elections
Director	Recreation-Administration
Director	Human Relations
Director	Daniel Field
Director	Animal Control
Director	Water & Sewer Administration
Director	Facilities Maintenance – General Government
Chief Appraiser	Tax Assessor
Director	Transit Operations
Director	Public Works – Solid Waste
Director	Public Works – Highways and Streets
Warden	Richmond County Correctional Institution
Director	Human Resources
Director	Procurement
Director	Building Inspections
Director	Emergency Telephone Response
Director	Community Development
Fire Chief	Fire Department
Director	Emergency Management Agency
Director	Airport-Bush Field
Deputy Administrator	Administrator
Administrator	Administrator
General Counsel	Law Department
Disadvantaged Business Enterprise Coordinator	Disadvantaged Business Enterprise
Equal Employment Opportunity Coordinator	Equal Employment Opportunity
Clerk of Commission	Clerk of Commission

.

If the enclosed draft amended Adoption Agreement and Addendum are acceptable as drafted, please have the designated representatives **sign and date two (2) copies of the Adoption Agreement (on p. 33) and Addendum (on p. 25) where indicated and return both sets of executed originals to me.** We will then have both sets of signed originals executed by GMEBS. We will keep one set of originals for our files, and we will return the other executed set of originals to you for you to put in your bound retirement plan notebook.

If you or the city attorney have any questions or suggested revisions to the enclosed draft documents, please feel free to call me at 678-686-6236.

Sincerely,

Angela M. Nixon

Angela M. Nixon
GMEBS Legal Counsel

Encl.

C: Ms. Chiquita Johnson, General Counsel, Augusta-Richmond County (w/ encl.)
Mr. Robby Burns, Human Resources Manager, Augusta-Richmond County (w/ encl.)
Ms. Linda Gady, Manager, Employee Benefit Services (w/o encl.)
Ms. Judy Kelley, Manager, Accounting Services (w/o encl.)
Mr. Randy Logan, Employee Benefits Counselor (w/o encl.)
Ms. Nancy Germano, Ice Miller (w/ encl.)
Mr. Rocky Joyner, Segal Company (w/ encl.)

GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM

DEFINED BENEFIT PLAN

ADOPTION AGREEMENT
for

Augusta, Georgia

TABLE OF CONTENTS

AN ORDINANCE

An Ordinance to amend the GMEBS Defined Benefit Retirement Plan for certain Employees of Augusta-Richmond County, Georgia (hereinafter "Augusta"), in accordance with and subject to the terms and conditions set forth in the attached amended Adoption Agreement and Addendum, the Georgia Municipal Employees Benefit System (GMEBS) Master Plan Document, and the GMEBS Trust Agreement, including any amendments thereto. When accepted by the authorized officers of the Augusta-Richmond County Commission and GMEBS, the foregoing shall constitute a Contract between the Commission and GMEBS, all as authorized and provided by O.C.G.A. § 47-5-1 et seq.

BE IT ORDAINED by the Augusta-Richmond County Commission, and it is hereby ordained by the authority of the same as follows:

Section 1. The March 1, 1987 GMEBS Defined Benefit Retirement Plan for certain Employees of Augusta, Georgia (Ordinance No. 5399; as amended by Ga. L 1988, p. 5415; Ordinance No. 5561, effective April 2, 1990; and Ordinance No. 5865) and the January 1, 1977 Defined Benefit Retirement Plan and Trust for certain Employees of Augusta (Ordinance No. 6655; as amended by Ordinance No. 6983 adopted June 19, 2007) (hereinafter referred to as "1977 Defined Benefit Retirement Plan" or "1977 DB Plan" or "1977 Plan") were previously amended and restated as set forth in and subject to the terms and conditions stated in the Adoption Agreement and the Addendum to the Adoption Agreement which became effective January 1, 2008. The January 1, 2008 Adoption Agreement and Addendum to the Adoption Agreement are hereby amended as set forth in and subject to the terms and conditions stated in the following Adoption Agreement and Addendum, the Georgia Municipal Employees Benefit System (GMEBS) Master Plan Document, and the GMEBS Trust Agreement, including any amendments thereto.

[Ordinance continued on page 33]

GMEBS DEFINED BENEFIT PLAN ADOPTION AGREEMENT

ADMINISTRATOR

Georgia Municipal Employees Benefit System
201 Pryor Street, SW
Atlanta, Georgia 30303
Telephone: 404-688-0472
Facsimile: 404-577-6663

ADOPTING EMPLOYER

Name: **Augusta, Georgia**

GOVERNING AUTHORITY

Name: **Augusta-Richmond County Commission**
Address: **530 Greene St., Augusta, GA 30911-4406**
Phone: **(706) 821-1820**
Facsimile: **(706) 821-1838**

PLAN REPRESENTATIVE

[To represent Governing Authority in all communications with GMEBS and Employees]
(See Article II, Section 44 of Master Plan)

Name: **Augusta-Richmond County Administrator**
Address: **530 Greene St., Augusta, GA 30911-4406**
Phone: **(706) 821-2400**
Facsimile: **(706) 821-2819**
E-mail:

PENSION COMMITTEE

[Please designate members by position. If not, members of Pension Committee shall be determined in accordance with Article XIV of Master Plan]

The "Pension Committee" when referred to in this Plan shall be the members of the Pension and Audit Committee of the Augusta-Richmond County Commission as currently constituted to include the following office-holders: Mayor, Mayor Pro Tem, Administrator, Finance Director and the Finance Committee Chair.

Pension Committee Secretary: **Clerk of the Augusta-Richmond County Commission**
Address: **530 Greene St., Augusta, GA 30911-4406**
Phone: **(706) 821-1820**
Facsimile: **(706) 821-1838**

TYPE OF ADOPTION

This Adoption Agreement is for the following purpose (**check one**):

☐ This is a new defined benefit plan adopted by the Adopting Employer for its Employees. This plan does not replace or restate an existing defined benefit plan.

☐ This is an amendment and restatement of the current GMEBS defined benefit plan or other defined benefit plan of the Adopting Employer.

☒ This is an amendment of the Adoption Agreement previously adopted by the Employer **(please specify type below):**

- ☐ This is an amendment to change one or more of the Adopting Employer's benefit design elections in the Adoption Agreement.

- ☐ This is an amendment to add a new Department or a new class of Eligible Employees **(If this box is checked, special addendum must be requested from GMEBS to be completed as part of amendment)**.

- ☐ This is an amendment to discontinue participation in the Plan by one or more Departments or classes of Employees **(If this box is checked, special addendum must be requested from GMEBS to be completed as part of amendment)**.

- ☒ Other **(please specify)**: <u>**This is an amendment to provide that: 1) Participants in this Plan who hold a senior executive service (SES) position listed in Addendum Section 7.42(c) on or after January 1, 2009 will be considered immediately vested in their accrued normal retirement benefit (see AA p. 28, Addendum Section 7.42); and 2) subject to the preconditions specified in Addendum Section 7.42(b), if a Participant in this Plan is involuntarily terminated from employment with Augusta-Richmond County due to a**</u>

reduction in force after January 1, 2009 while holding a senior executive service (SES) position listed in Addendum Section 7.42(c), the Participant will be treated as having an additional five (5) years of Credited Service for purposes of computing the amount of any retirement or pre-retirement death benefit payable to or on behalf of the Participant under this Plan, and for purposes of meeting the minimum service requirements for retirement and pre-retirement death benefit eligibility.

EFFECTIVE DATE

(1) Complete this item (1) only if this is a new defined benefit plan which does not replace or restate an existing defined benefit plan.

The effective date of this Plan is ________________.
(insert effective date of this Adoption Agreement not earlier than January 1, 1997).

(2) Complete this item (2) only if this is an amendment and complete restatement of the Adopting Employer's existing GMEBS defined benefit plan.

Except as otherwise specifically provided in the Master Document or in this Adoption Agreement or the Addendum, the effective date of this restatement shall be ____________ **(insert effective date of this Adoption Agreement not earlier than January 1, 1997)**. The employee election provisions of the Addendum and the provisions concerning certain Employees initially employed or reemployed after October 1, 2007 shall be effective October 1, 2007. This Plan is adopted as an amendment and restatement of the Employer's preexisting GMEBS plan, which became effective on _____________ **(insert original effective date of preexisting GMEBS plan) and which was last restated effective ________________.**

(3) Complete this item (3) only if this Plan is being adopted to replace a non-GMEBS defined benefit plan.

Except as otherwise specifically provided in the Master Document or in this Adoption Agreement or the Addendum, the effective date of this restatement shall be ____________ **(insert effective date of this Adoption Agreement not earlier than January 1, 1997)**.

(4) Complete this item (4) only if this is an amendment of the Adoption Agreement previously adopted by the Employer.

The effective date of this amendment shall be upon adoption by the Augusta-Richmond County Commission (see p. 32).

PLAN YEAR

Plan Year means **(check one):**

☐ Calendar Year
☐ Employer Fiscal Year commencing ______________________.
☒ Other **(must specify)**: **January 1 – December 31**.

CLASSES OF ELIGIBLE EMPLOYEES

Only Employees of the Adopting Employer who meet the Master Plan's definition of "Employee" may be covered under the Adoption Agreement. Independent contractors, leased employees, and nonresident aliens may not participate in the Plan.

Eligible Regular Employees

Regular Employees include Employees, other than elected or appointed members of the Governing Authority or Municipal Legal Officers, who are regularly employed in the services of the Adopting Employer. Subject to the other conditions of the Master Plan and the Adoption Agreement, the following Regular Employees are eligible to participate in the Plan **(check one)**:

☐ **ALL** - All Regular Employees, provided they satisfy the minimum hour and other requirements specified under "Eligibility Conditions" below.

☒ **ALL REGULAR EMPLOYEES EXCEPT** for the following employees **(must specify)**: **any Employee who is not included in an Eligible Class specified below; any Employee who participates in any other City of Augusta or Richmond County retirement plan; any person who is not a "Regular Employee" as defined in the Augusta-Richmond County Personnel Policies and Procedures. See Addendum Section 7.37 on treatment of employees of the Augusta-Richmond County Tax Commissioner's office.**

ELIGIBLE CLASSES OF EMPLOYEES

The following description of classes of Eligible Employees shall control in administering the Plan. The Class to which a person belongs will be determined based upon the records of the Employer as reported to GMEBS. Employees shall qualify for paticipation by meeting the eligibility requirements specified under "Eligibility Conditions" on p. 8 of the Adoption Agreement (said requirements shall not apply to elected or appointed members of the Governing Authority):

<u>Class 1 (Class 1 Public Safety Personnel under former GMEBS Plan who Elect New Plan)</u>: This class includes: 1) Public Safety Personnel who were employed on the original effective date of the GMEBS Plan (March 1, 1987) and who are not participants in any other Employer-sponsored retirement plan and 2) Public Safety Personnel who were hired after March 1, 1987 and before December 17, 1996, who elect in accordance with the procedures specified in Sections 7.11-7.15 of the Addendum to this Adoption Agreement (affirmatively or by default) to be bound by the terms of the restated GMEBS Plan that apply to Class 1 Employees effective January 1, 2008.

For purposes of this Adoption Agreement, the term "Public Safety Personnel" shall mean a police officer who is a Full-Time Employee and is certified under the Georgia Peace Officer Standards and Training Act, or a fire-fighter who is a Full-Time Employee and is certified under the Georgia Fire Fighter Standards and Training Act. The term "Full-Time Employee" shall mean an Employee who meets the minimum "hours per week" and "months per year" requirements specified under "Eligibility Conditions" below.

<u>Class 2 (Class 1 Public Safety Personnel under former GMEBS Plan Who Do Not Elect New Plan)</u>: This class includes: 1) Public Safety Personnel who were employed on the original effective date of the GMEBS Plan (March 1, 1987) and who are not participants in any other Employer-sponsored retirement plan and 2) Public Safety Personnel who were hired after March 1, 1987 and before December 17, 1996, who elect in accordance with procedures specified in Sections 7.11-7.15 of the Addendum to this Adoption Agreement <u>not</u> to be bound by the terms of the restated GMEBS Plan that apply to Class 1 Employees effective January 1, 2008.

<u>Class 3 (Class 2 Non-Public Safety Personnel under former GMEBS Plan Who Elect New Plan)</u>: This class includes: Employees, other than Public Safety Personnel, who were employed on the effective date of the GMEBS Plan (March 1, 1987) who are not participants in any other Employer-sponsored retirement plan, and Employees, other than Public Safety Personnel, who were hired after March 1, 1987 and before December 17, 1996, who elect in accordance with procedures specified in Sections 7.11-7.15 of the Addendum to this Adoption Agreement (affirmatively or by default) to be bound by the terms of the restated GMEBS Plan that apply to Class 3 Employees effective January 1, 2008.

<u>Class 4 (Class 2 Non-Public Safety Personnel under former GMEBS Plan Who Do Not Elect New Plan)</u>: This class includes: Employees, other than Public Safety Personnel, who were employed on the effective date of the GMEBS Plan (March 1, 1987) who are not participants in any other Employer-sponsored retirement plan, and Employees, other than Public Safety Personnel, who were hired after March 1, 1987 and before December 17, 1996, who elect in accordance with procedures specified in Sections 7.11-7.15 of the Addendum to this Adoption Agreement <u>not</u> to be bound by the terms of the restated GMEBS Plan that apply to Class 3 Employees effective January 1, 2008.

<u>Class 5 (Participants under former 1977 DB Retirement Plan Who Elect New Plan)</u>: This class includes Employees who are participants under the 1977 DB Retirement Plan immediately prior to January 1, 2008 and who elect in accordance with procedures specified in Sections 7.11-7.15 of the Addendum to this Adoption Agreement (affirmatively or by default) to be bound by the terms of the restated GMEBS Plan that apply to Class 5 Employees effective January 1, 2008.

<u>Class 6 (Participants under former 1977 DB Retirement Plan Who Do Not Elect New Plan)</u>: This class includes Employees who are participants under the 1977 DB Retirement Plan immediately prior to January 1, 2008 and who elect in accordance with procedures specified in Sections 7.11-7.15 of the Addendum to this Adoption Agreement <u>not</u> to be bound by the terms of the restated GMEBS Plan that apply to Class 5 Employees effective January 1, 2008.

<u>Class 7 (Participants under former 1998 DC Plan Who Elect New Plan)</u> This class includes: Employees who are participants under the City of Augusta-Richmond County 1998 Defined Contribution Retirement Plan immediately prior to January 1, 2008 (including elected or appointed members of the Governing Authority who participate under the 1998 DC Plan) who elect in accordance with procedures specified in Sections 7.11-7.15 of the Addendum to this Adoption Agreement (affirmatively or by default) to transfer their defined contribution plan account balance to GMEBS and to participate under the terms of the restated GMEBS Plan that apply to Class 7 Employees effective January 1, 2008.

<u>Class 8 (Employees Who Do Not Participate in Any Plan)</u>: This class includes Employees who are actively employed as of October 1, 2007 and who as of said date are not participating in any defined benefit retirement plan or defined contribution plan or other retirement plan which is funded in whole or part by Augusta-Richmond County (as reflected in the records of Augusta and as reported to GMEBS).

<u>Class 9 (Employees Hired or Re-hired after October 1, 2007)</u>: This class includes Eligible Regular Employees who are hired or re-hired by Augusta-Richmond County after October 1, 2007, and elected or appointed members of the Governing Authority who take office or return to office after October 1, 2007 (subject to any applicable election requirements or other limitations on participation by members of the Governing Authority or other special classes referred to on pp. 9-10).

<u>Elected or Appointed Members of the Governing Authority</u>

An Adopting Employer may elect to permit participation in the Plan by elected or appointed members of the Governing Authority and/or Municipal Legal Officers, provided they otherwise meet the Master Plan's definition of "Employee" and provided they satisfy any other requirements specified by the Adopting Employer. Municipal Legal Officers to be covered must be specifically identified by position. Subject to the above conditions, the Employer hereby elects the following treatment for elected and appointed officials:

<u>Elected or Appointed Members of the Governing Authority (check one)</u>:

☐ **ARE NOT** eligible to participate in the Plan.

☒ **ARE** eligible to participate in the Plan.

Please specify any limitations on eligibility to participate here (e.g., service on or after certain date): **<u>With respect to elected or appointed members of the Governing Authority who hold office as of October 1, 2007, they will participate in this Plan only if they have elected (affirmatively or by default) to participate in this Plan in accordance with and subject to the election provisions of the Addendum to this Adoption Agreement (see Addendum Section 7.36 concerning effect of later termination and return to Service). Elected or appointed members of the Governing Authority who initially take office after October 1, 2007 will participate in this Plan, provided they affirmatively elect (or elect by default) to participate in this Plan, in accordance with and subject to the 30-day time limit and other election requirements specified on p. 9 of the Adoption Agreement (See Addendum Section 7.36 concerning effect of later termination and return to Service). If a former elected or appointed member of the Governing Authority who is not in office as of October 1, 2007 returns to Service as an elected or appointed member of the Governing Authority after said date, he will participate in this Plan, provided he affirmatively elects (or elects by default) to participate in this Plan, in accordance with and subject to the 30-day time limit and other election requirements specified on p. 9 of the Adoption Agreement (See also Addendum Section 7.36).</u>**

<u>Municipal Legal Officers (check one)</u>:

☒ **ARE NOT** eligible to participate in the Plan (except for Augusta-Richmond County Law Department General Counsel and Law Department staff attorneys who meet the applicable eligibility conditions and election requirements- see below).

☐ **ARE** eligible to participate in the Plan. The term "Municipal Legal Officer" shall include only the following positions **(must specify)**: ______________________________

Please specify any limitations on eligibility to participate here (e.g., service on or after certain date): ______________________________

ELIGIBILITY CONDITIONS

HOURS PER WEEK (REGULAR EMPLOYEES)

The Adopting Employer may specify a minimum number of hours per week which are required to be scheduled and worked by Regular Employees in order for them to become and remain "Eligible Regular Employees" under the Plan. **It is the responsibility of the Adopting Employer to determine whether these requirements are and continue to be satisfied.** The Employer hereby elects the following minimum hour requirement for Regular Employees:

- ☐ No minimum
- ☒ 20 hours/week (regularly scheduled)
- ☐ 30 hours/week (regularly scheduled)
- ☐ Other: ____

Exceptions: If a different minimum hour requirement applies to a particular class or classes of Regular Employees, please specify below the classes to whom the different requirement applies and indicate the minimum hour requirement applicable to them.

Class(es) of Regular Employees to whom exception applies **(must specify):** ________________

Minimum hour requirement applicable to excepted Regular Employees:

- ☐ No minimum
- ☐ 20 hours/week (regularly scheduled)
- ☐ 30 hours/week (regularly scheduled)
- ☐ Other: _________________ (must not exceed 40 hours/week regularly scheduled)

MONTHS PER YEAR (REGULAR EMPLOYEES)

The Adopting Employer may specify a minimum number of months per year which are required to be scheduled and worked by Regular Employees in order for them to become and remain "Eligible Employees" under the Plan. **It is the responsibility of the Adopting Employer to determine whether these requirements are and continue to be satisfied.** The Employer hereby elects the following minimum requirement for Regular Employees:

- ☐ No minimum
- ☒ At least 5 months per year (regularly scheduled) **(any Employee classified as a temporary or seasonal employee is not eligible to participate).**

WAITING PERIOD

Regular Employees

Unless otherwise specified by the Adopting Employer in an addendum to this Adoption Agreement, Regular Employees shall be required to complete one (1) year of continuous, uninterrupted Service with the Adopting Employer before they qualify for participation in the Plan. The determination as to whether the waiting period has been satisfied shall be made in accordance with provisions of the Master Plan. **[30-day waiting period - See Addendum Section 7.17]**

ESTABLISHING PARTICIPATION IN THE PLAN

Participation in the Plan is considered **mandatory** for all Eligible Employees who satisfy the eligibility conditions specified in the Adoption Agreement. However, the Employer may specify below that participation is **optional** for certain classes of Eligible Employees, including elected or appointed members of the Governing Authority, the Administrator, Assistant Administrators, Department Directors, Assistant Department Directors, and/or Augusta-Richmond County Law Department General Counsel and Law Department staff attorneys. **If participation is optional** for an Eligible Employee, then **he must make an election to participate** in either this Plan or the Georgia Municipal Association (GMA) Defined Contribution Plan, on a form provided by the Employer for such purpose and in accordance with procedures specified by Employer, **within 30 days after employment or taking office**. The election is irrevocable, and the failure to make the election within the 30-day time limit shall be deemed an irrevocable election to participate in this Plan rather than the GMA Defined Contribution Plan.

Classes for whom participation is **optional**:

- ☒ **Elected or Appointed Members of Governing Authority** - Any Employee who initially takes office (no prior service with Augusta-Richmond County) as an elected or appointed member of the Governing Authority (member of the Board of Commissioners of Augusta-Richmond County) after October 1, 2007 or who returns to said office after October 1, 2007. However, those employed or in office as of October 1, 2007 will be bound by their plan election made in accordance with and subject to Addendum Sections 7.11-7.15 (See Addendum Sec. 7.36 concerning effect of later return to service).
- ☒ **Law Department Staff Attorneys -** Any Employee who is initially employed (no prior service with Augusta-Richmond County) as an Augusta-Richmond County Law Department General Counsel or Law Department staff attorney or who is reemployed in said position after October 1, 2007. However, those employed as of October 1, 2007 will be bound by their plan election made in accordance with and subject to Addendum Sections 7.11-7.15 (See Addendum Sec. 7.36 concerning effect of later return to service).
- ☒ **Administrator, Assistant Administrators** - Any Employee who is initially employed (no prior service with Augusta-Richmond County) as an Augusta Administrator or Assistant Administrator, or who is reemployed in said position after October 1, 2007. However, those employed as of October 1, 2007 will be bound by their plan election made in accordance with and subject to Addendum Sections 7.11-7.15 (See Addendum Sec. 7.36 concerning effect of later return to service).
- ☒ **Department Directors, Assistant Dept. Directors** - Any Employee who is initially employed (no prior service with Augusta-Richmond County) as a Department Director or Assistant Department Director, or who is reemployed in said position after October 1, 2007. However, those employed as of October 1, 2007 will be bound by their plan election made in accordance with and subject to Addendum Sections 7.11-7.15 (See Addendum Sec. 7.36 concerning effect of later return to service).

☒ **<u>Other (must specify)</u>**: Notwithstanding the above provisions allowing for optional participation, participaton in this Plan will be mandatory for any person who is a member of Class 8 (see pp. 5-7 for description of classes).

<u>Note</u>: See Addendum Section 7.36 concerning treatment of classes for whom participation is optional and mandatory participation in GMEBS DB Plan in the event of later termination and return to Service.

CREDITED SERVICE

In addition to Current Credited Service the Adopting Employer may include as Credited Service the following types of service:

CREDITED PAST SERVICE

Credited Past Service means the number of years and complete months of Service with the Adopting Employer prior to the date an Eligible Employee becomes a Participant which are treated as credited service under the Plan.

Eligible Employees Employed on Effective Date of GMEBS Plan. With respect to Eligible Employees who are employed by the Adopting Employer on the original Effective Date of the Employer's GMEBS Plan **(March 1, 1987)**, Service with the Adopting Employer prior to the date the Eligible Employee becomes a Participant (including any Service prior to the Effective Date of the Plan) shall be treated as follows **(check one)**:

[See Addendum Section 7.25 concerning treatment of Service prior to original effective date of GMEBS Plan for those who are Participants in GMEBS Plan immediately prior to January 1, 2008; see Addendum concerning treatment of Service prior to January 1, 2008 for other Participants.]

☐ All Service prior to the date the Eligible Employee becomes a Participant shall be credited (as Credited Past Service).

☐ All Service prior to the date the Eligible Employee becomes a Participant shall be credited (as Credited Past Service), except for Service rendered prior to ______________________________.

☐ All Service prior to the date the Eligible Employee becomes a Participant shall be credited (as Credited Past Service), except for **(must specify other limitation)**: ____________________________.

Previously Employed, Returning to Service after Effective Date. If an Eligible Employee is not employed on the original Effective Date of the Employer's GMEBS Plan, but he returns to Service with the Adopting Employer sometime after the Effective Date, his Service prior to the date he becomes a Participant (including any Service prior the Effective Date) shall be treated as follows **(check one)**:

[See Addendum Section 7.25 concerning treatment of Service prior to original effective date of GMEBS Plan for those who are Participants in GMEBS Plan immediately prior to January 1, 2008; see Addendum concerning treatment of Service prior to January 1, 2008 for other Participants.]

☐ All Service prior to the date the Eligible Employee becomes a Participant shall be credited (as Credited Past Service), subject to any limitations imposed above with respect to Eligible Employees employed on the Effective Date.

☐ All Service prior to the date the Eligible Employee becomes a Participant shall be credited (as Credited Past Service), provided that after his return to employment, the Eligible Employee performs Service equal to the period of the break in Service or one (1) year, whichever is less. Any limitations imposed above with respect to Eligible Employees employed on the Effective Date shall also apply.

☐ Other limitation(s) **(must specify)**: ____________________________________

Eligible Employees Initially Employed After Effective Date. If an Eligible Employee's initial employment date is after the original Effective Date of the Employer's GMEBS Plan, his Credited Past Service shall include only the number of years and complete months of Service from his initial employment date to the date he becomes a Participant in the Plan.

Newly Eligible Classes of Employees. If a previously ineligible class of Employees becomes eligible to participate in the Plan, the Employer must specify in an addendum to this Adoption Agreement whether and to what extent said Employees' prior service with the Employer shall be treated as Credited Past Service under the Plan.

PRIOR MILITARY SERVICE

<u>Note</u>: This section does not concern military service required to be credited under USERRA – See Article III, Section 2 of the Master Plan for rules on the crediting of USERRA Military Service.

The Adopting Employer may elect to treat military service rendered prior to a Participant's initial employment date or reemployment date as Credited Service under the Plan. Unless otherwise specified by the Employer under "Other Conditions" below, the term "Military Service" shall be as defined in the Master Plan. Except as otherwise required by federal or state law or under "Other Conditions" below, Military Service shall not include service which is credited under any other local, state, or federal retirement or pension plan.

Military Service credited under this section shall not include any service which is otherwise required to be credited under the Plan by federal or state law. Prior Military Service shall be treated as follows **(check one)**:

☒ Prior Military Service is **not** creditable under the Plan **(if checked, skip to next section – Prior Governmental Service)**.

☐ Prior Military Service shall be counted as Credited Service for the following purposes (check one or more as applicable):

- ☐ Computing amount of benefits payable .
- ☐ Meeting minimum service requirements for vesting.
- ☐ Meeting minimum service requirements for benefit eligibility.

Maximum Credit for Prior Military Service.

Credit for Prior Military Service shall be limited to a maximum of _____ years **(insert number)**.

Rate of Accrual for Prior Military Service.

Credit for Prior Military Service shall accrue at the following rate **(check one)**:

☐ One month of military service credit for every _______ month(s) **(insert number)** of Credited Service with the Adopting Employer.

☐ One year of military service credit for every _____ year(s) **(insert number)** of Credited Service with the Adopting Employer.

☐ All military service shall be creditable (subject to any caps imposed above) after the Participant has completed _______ years **(insert number)** of Credited Service with the Employer.

☐ Other requirement **(must specify)**: ______________________________________

Payment for Prior Military Service Credit(check one):

☐ Participants shall **not** be required to pay for military service credit.

☐ Participants shall be required to pay for military service credit as follows:

- ☐ The Participant must pay ____% of the actuarial cost of the service credit (as defined below).
- ☐ The Participant must pay an amount equal to **(must specify)**: __________

Other Conditions for Award of Prior Military Service Credit **(must specify)**: ________________

Limitations on Service Credit Purchases. For purposes of this section and the following section concerning prior governmental service credit, the term "actuarial cost of the service credit" means the present value of the Accrued Benefit relating to such additional service credit determined as of the payment date and calculated based upon the assumptions specified in Article XII, Section 7 of the Master Plan.

In the case of a service credit purchase, the Participant shall be required to comply with any rules and regulations established by the GMEBS Board of Trustees concerning said purchases. The Employer may elect to allow Employees to make the purchase through payroll deduction and the Employer may pick-up the amount to be contributed by the Employee in accordance with Internal Revenue Code Section 414(h) and the Plan, subject to any conditions contained in GMEBS' rules and regulations concerning service credit purchases.

PRIOR GOVERNMENTAL SERVICE

<u>Note</u>: Prior service with other GMEBS employers shall be credited as provided under the Master Plan, this Adoption Agreement, and the Addendum. This Section concerns credit for service with governmental employers other than Augusta-Richmond County.

The Adopting Employer may elect to treat governmental service rendered prior to a Participant's initial employment date or reemployment date as creditable service under the Plan. Subject to any limitations imposed by law, the term "prior governmental service" shall be as defined by the Adopting Employer below. The Employer elects to treat prior governmental service as follows **(check one)**:

☒ Prior governmental service is **not** creditable under the Plan **(if checked, skip to next section – Unused Sick/Vacation/Personal Leave).**

☐ Prior governmental service shall be counted as Credited Service for the following purposes under the Plan **(check one or more as applicable)**:

- ☐ Computing amount of benefits payable.
- ☐ Meeting minimum service requirements for vesting.
- ☐ Meeting minimum service requirements for benefit eligibility.

Definition of Prior Governmental Service.

Prior governmental service shall be defined as follows: **(must specify)**:

____

____

Unless otherwise specified above, prior governmental service shall include only full-time service (minimum hour requirement same as that applicable to Eligible Regular Employees).

Maximum Credit for Prior Governmental Service.

Credit for prior governmental service shall be limited to a maximum of ________ years **(insert number)**.

Rate of Accrual for Prior Governmental Service Credit.

Credit for prior governmental service shall accrue at the following rate **(check one)**:

- ☐ One month of prior governmental service credit for every _____ month(s) **(insert number)** of Credited Service with the Adopting Employer.
- ☐ One year of prior governmental service credit for every _____ year(s) **(insert number)** of Credited Service with the Adopting Employer.
- ☐ All prior governmental service shall be creditable (subject to any caps imposed above) after the Participant has completed _____ years **(insert number)** of Credited Service with the Adopting Employer.
- ☐ Other requirement **(must specify)**: _____________________________________

Payment for Prior Governmental Service Credit.

- ☐ Participants shall **not** be required to pay for governmental service credit.
- ☐ Participants shall be required to pay for governmental service credit as follows:
  - ☐ The Participant must pay ____% of the actuarial cost of the service credit.
  - ☐ The Participant must pay an amount equal to **(must specify)**: __________

UNUSED SICK/VACATION/PERSONAL LEAVE

An Adopting Employer may elect to treat accumulated days of unused leave for which a terminated Participant is not paid as Credited Service. The Pension Committee shall be responsible to certify to GMEBS the total amount of unused leave which is creditable hereunder. The Employer elects the following treatment of unused leave:

- ☒ Unused leave shall **not** be treated as Credited Service **(if checked, skip to next section – Retirement Eligibility)**.
- ☐ The following types of unused leave for which the Participant is not paid shall be treated as Credited Service under the Plan **(check one or more as applicable)**:

- ☐ Unused sick leave
- ☐ Unused vacation leave
- ☐ Unused personal leave
- ☐ Other **(must specify)**: ____

Minimum Service Requirement.

In order to receive credit for unused leave, a Participant must meet the following requirement at termination **(check one)**:

- ☐ The Participant must be 100% vested in a normal retirement benefit.
- ☐ The Participant must have at least _______ years **(insert number)** of Total Credited Service (not including leave otherwise creditable under this section).
- ☐ Other **(must specify)**: ____

Use of Unused Leave Credit. Unused leave shall count as Credited Service for the following purposes under the Plan **(check one or more as applicable)**:

- ☐ Computing amount of benefits payable.
- ☐ Meeting minimum service requirements for vesting.
- ☐ Meeting minimum service requirements for benefit eligibility.

Maximum Credit for Unused Leave.

Credit for unused leave shall be limited to a maximum of _____ months **(insert number)**.

Computation of Unused Leave.

Unless otherwise specified by the Adopting Employer under "Other Conditions" below, each twenty (20) days of creditable unused leave shall constitute one (1) complete month of Credited Service under the Plan. Partial months shall not be credited.

Other Conditions (please specify): ____

____

____

RETIREMENT ELIGIBILITY

EARLY RETIREMENT QUALIFICATIONS

Early retirement qualifications are **(check one or more as applicable)**:

☒ Attainment of age **50** **(insert number)**

☒ Completion of **5** years **(insert number)** of Total Credited Service with Augusta, Georgia.

Exceptions: If different early retirement eligibility requirements apply to a particular class or classes of Eligible Employees, the Employer must specify below the classes to whom the different requirements apply and indicate below the requirements applicable to them.

Eligible Employees to whom exception applies **(must specify)**: **Class 2, Class 4, Class 6 (see pp. 5-7 for description of classes).**

Early retirement qualifications for excepted class(es) are **(check one or more as applicable)**:

Early retirement qualifications for Class 2 and Class 4:

☒ Attainment of age **55** **(insert number)**

☒ Completion of **10** years **(insert number)** of Total Credited Service with Augusta, Georgia.

Early retirement qualifications for Class 6:

☒ Attainment of age **50** **(insert number)**

☒ Completion of **15** years **(insert number)** of Total Credited Service with Augusta, Georgia.

NORMAL RETIREMENT QUALIFICATIONS

Note: Please complete this section and also list "Alternative" Normal Retirement Qualifications, if any, in next section.

Regular Employees

Normal retirement qualifications for Regular Employees are **(check one or more as applicable)**:

☒ Attainment of age **65** **(Retirement must occur no later than age 70 for Public Safety Personnel)**

☐ Completion of _____ years **(insert number)** of Total Credited Service

Exceptions: If different normal retirement qualifications apply to a particular class or classes of Regular Employees, the Employer must specify below the classes to whom the different requirements apply and indicate below the requirements applicable to them.

Class(es) of Regular Employees to whom exception applies **(must specify)**: ________________

Normal retirement qualifications for excepted class(es) are **(check one or more as applicable)**:

☐ Attainment of age ___ **(insert number)**

☐ Completion of ___ years **(insert number)** of Total Credited Service

Elected or Appointed Members of Governing Authority

Complete this section only if elected or appointed members of the Governing Authority or Municipal Legal Officers are permitted to participate in the Plan. Normal retirement qualifications for this class are **(check one or more as applicable)**:

☒ Attainment of age **65** **(insert number)**

☐ Completion of _________ years **(insert number)** of Total Credited Service

ALTERNATIVE NORMAL RETIREMENT QUALIFICATIONS

Please skip to the next section (Disability Benefit Qualifications) if the Adopting Employer does not offer alternative normal retirement benefits under the Plan. The Employer may elect to permit Participants to retire with unreduced benefits after they satisfy service and/or age requirements other than the regular normal retirement qualifications specified above. The Employer hereby adopts the following alternative normal retirement qualifications:

Alternative Normal Retirement Qualifications (check one or more, as applicable):

☒ **Alternative Minimum Age & Service Qualifications. (if checked, please complete one or more items below, as applicable)**:

☒ Attainment of age **<u>55</u>** **(insert number)**

☒ Completion of **<u>25</u>** years **(insert number)** of Total Credited Service

This alternative normal retirement benefit is available to:

☐ All Participants who qualify.

☒ Only the following Participants **(must specify)**: **<u>Participants in Class 1, Class 2, Class 5, Class 7, Class 8, and Class 9 who are Public Safety Personnel, provided they are at least age 55 and have at least 25 years of Total Credited Service as Public Safety Personnel with Augusta, Georgia (see pp. 5-7 for description of classes).</u>**

A Participant **(check one)**: ☐ is required ☒ is not required to be in the service of the Employer at the time he satisfies the above qualifications in order to qualify for this alternative normal retirement benefit.

☐ **Rule of _______ (insert number).** The Participant's combined Total Credited Service and age must equal or exceed this number. Please complete additional items below:

To qualify for this alternative normal retirement benefit, the Participant **(check one)**: ☐ must have attained at least age ______ **(insert number)** ☐ must not satisfy any minimum age requirement.

This alternative normal retirement benefit is available to:

☐ All Participants who qualify.

☐ Only the following Participants **(must specify)**: ______________________
____

A Participant **(check one)**: ☐ is required ☐ is not required to be in the service of the Employer at the time he satisfies the Rule in order to qualify for this alternative normal retirement benefit.

☐ **Alternative Minimum Service.** A Participant is eligible for an alternative normal retirement benefit if he has at least ________ years **(insert number)** of Total Credited Service, regardless of the Participant's age.

This alternative normal retirement benefit is available to:

☐ All Participants who qualify.

☐ Only the following Participants **(must specify)**: ______________________

☒ **Other Alternative Normal Retirement Benefit.**

Must specify qualifications:

☒ Attainment of age **62** **(insert number)**

☒ Completion of **25** years **(insert number)** of Total Credited Service with Augusta, Georgia

This alternative normal retirement benefit is available to:

☐ All Participants who qualify.

☒ Only the following Participants **(must specify)**: **Participants in Class 1, Class 3, Class 5, Class 6, Class 7, Class 8, and Class 9 (see pp. 5-7 for description of classes).**

A Participant **(check one)**: ☐ is required ☒ is not required to be in the service of the Employer at the time he satisfies the above qualifications in order to qualify for this alternative normal retirement benefit.

DISABILITY BENEFIT QUALIFICATIONS

Please skip to the next section (Retirement Benefit Computation) if the Adopting Employer does not offer disability retirement benefits under the Plan. Subject to the other terms and conditions of the Master Plan, disability retirement qualifications are based upon Social Security Administration award criteria or as otherwise provided under Article II, Section 19 of the Master Plan.

To qualify for a disability benefit, a Participant must have the following minimum number of years of Total Credited Service:

☐ No minimum.
☐ _______ years **(insert number)** of Total Credited Service.

☒ **Other requirement (must specify): <u>No minimum, except for Class 6 Participants with respect to non-employment connected disability (see Addendum Section 7.29(c) for eligibility requirements applicable to Class 6)</u>**.

RETIREMENT BENEFIT COMPUTATION

MAXIMUM TOTAL CREDITED SERVICE

The number of years of Total Credited Service which may be used to calculate a benefit is **(check one)**:

☒ not limited.

☐ limited to _________ years.

☐ limited to ________ years as an elected or appointed member of the Governing Authority or Municipal Legal Officer.

MONTHLY NORMAL RETIREMENT BENEFIT AMOUNT

<u>Regular Employees</u>

The monthly normal retirement benefit for Eligible Regular Employees shall be 1/12 of **(check one)**:

☒ **Flat Percentage Formula**. **<u>1.4%</u> (1.65% for Participants employed with Augusta after January 1, 2010, except with respect to employee classes listed under "Exceptions" below)** of Final Average Earnings multiplied by years of Total Credited Service as an Eligible Regular Employee.

☐ **Split Formula (Dynamic Break Point)**. _____ **% (insert percentage)** of Final Average Earnings up to the amount of Covered Compensation as defined in Article II, Section 15 of the Master Plan (**Dynamic Break Point**), plus ___ % **(insert percentage)** of Final Average Earnings in excess of said Covered Compensation, multiplied by years of Total Credited Service as an Eligible Regular Employee.

☐ **Split Formula (Table Break Point). ______% (insert percentage)** of Final Average Earnings up to the amount of Covered Compensation as defined in Article II, Section 16 of the Master Plan (**Table Break Point**), plus ______% **(insert percentage)** of Final Average Earnings in excess of said Covered Compensation, multiplied by years of Total Credited Service as an Eligible Regular Employee.

☐ **Grandfathered Split Formula**. For Eligible Regular Employees employed on or after ________________________**, (insert date)** and for Eligible Regular Employees employed prior to said date only when application of this formula would result in a higher benefit than the benefit as determined under the following sentence, __________ **% (insert percentage)** of Final Average Earnings up to the amount of Covered Compensation as defined in Article II, Section 15 of the Master Plan **(Dynamic Break Point)**, plus __________**% (insert percentage)** of Final Average Earnings in excess of said Covered Compensation, multiplied by years of Total Credited Service as an Eligible Regular Employee. For Regular Employees employed prior to ____________________________**, (insert date)** only when application of this formula would result in a higher benefit than the benefit as determined under the preceding sentence,_____________**% (insert percentage)** of Final Average Earnings up to the amount of Covered Compensation as defined in Article II, Section 16 of the Master Plan **(Table Break Point)**, plus _________**% (insert percentage)** of Final Average Earnings in excess of said Covered Compensation, multiplied by years of Total Credited Service as an Eligible Regular Employee.

☐ **Other Formula (must specify):** ____

Exceptions: If a formula other than that specified above applies to a special class(es) of Eligible Regular Employees, the Employer must specify below the class(es) to whom the different formula applies and indicate below the formula applicable to them.

Class(es) of Regular Employees to whom exception applies **(must specify)**: **Class 2 and Class 4. The split 1.25%-2.0% formula (see below) will also apply to Class 1 and Class 3, but only if it results in higher benefit than the flat percentage formula (see above).**

Benefit formula for excepted class(es) **(must specify)**: **The monthly normal retirement benefit shall be 1/12 of 1.25% of Final Average Earnings up to the amount of Covered Compensation as defined in Article II, Section 15 of the Master Plan (Dynamic Break Point), plus 2.0% of Final Average Earnings in excess of said Covered Compensation, multiplied by years of Total Credited Service as an Eligible Regular Employee**.

Class(es) of Regular Employees to whom exception applies **(must specify)**: **Class 6.**

Benefit formula for excepted class(es) **(must specify)**: **The monthly normal retirement benefit shall be 1/12 of 1.0% of Final Average Earnings multiplied by years of Total Credited Service as an Eligible Regular Employee**.

Final Average Earnings

Final Average Earnings is defined as **(check one)**:

☒ The annual average of Earnings paid to a Participant by the Adopting Employer for the **5 (insert number not to exceed 5)** consecutive years (12 month periods) of Credited Service preceding the Participant's most recent Termination in which the Participant's Earnings were the highest. Note: GMEBS has prescribed forms

for calculation of Final Average Earnings that must be used for this purpose.

☐ Other method of calculation **(must specify)**: ______________________________

Elected or Appointed Members of the Governing Authority

Complete this section only if elected or appointed members of the Governing Authority or Municipal Legal Officers are permitted to participate in the Plan. The monthly normal retirement benefit for members of this class shall be as follows **(check one)**:

☐ $_________ **(insert dollar amount)** per month for each year of Total Credited Service as an elected or appointed member of the Governing Authority or Municipal Legal Officer or major fraction thereof (6 months and 1 day).

☒ Other formula **(must specify)**: **The monthly normal retirement benefit shall be 1/12 of 1.4% (1.65% for Participants who hold office after January 1, 2010) of the Participant's Final Average Earnings multiplied by years of Total Credited Service as an elected or appointed member of the Governing Authority.**

Exceptions: If a different formula from that specified above applies to a particular class of elected or appointed members of the Governing Authority or Municipal Legal Officers, the Employer must specify below the class to whom the different formula applies and indicate below the formula applicable to them.

Those to whom exception applies **(must specify)**: _____________________________________

Benefit formula for excepted class **(must specify)**: _____________________________________

MONTHLY EARLY RETIREMENT BENEFIT AMOUNT (check one):

☐ The monthly Early Retirement benefit shall be computed in the same manner as the monthly Normal Retirement benefit, but the benefit shall be reduced on an Actuarially Equivalent basis in accordance with Article XII, Section 1 of the Master Plan to account for early commencement of benefits.

☒ The monthly Early Retirement benefit shall be computed as follows **(must specify)**: **For all Employee classes except Class 6, the monthly Early Retirement benefit shall be computed in the same manner as the monthly Normal Retirement benefit, but the benefit shall be reduced in accordance with the actuarial factors in Article XII, Section 1 of the Master Plan to account for early commencement of benefits. For Class 6, the monthy Early Retirement benefit shall be reduced in accordance with the early retirement factors that applied under the 1977 Defined Benefit Retirement Plan in effect immediately prior to January 1, 2008 which are incorporated herein by reference.**

MONTHLY LATE RETIREMENT BENEFIT AMOUNT (check one):

☒ The monthly Late Retirement benefit shall be computed in the same manner as the Normal Retirement Benefit, based upon the Participant's Accrued Benefit as of his Late Retirement Date.

☐ The monthly Late Retirement benefit shall be the greater of: (1) the monthly retirement benefit accrued as of the Participant's Normal Retirement Date, actuarially increased in accordance with the actuarial table contained in Article XII, Section 6 of the Master Plan; or (2) the monthly retirement benefit accrued as of the Participant's Late Retirement Date, without further actuarial adjustment under Article XII, Section 6 of the Master Plan.

MONTHLY DISABILITY BENEFIT AMOUNT

Complete this section only if the Adopting Employer elects to provide Disability retirement benefits. The amount of the monthly Disability Benefit shall be computed as follows **(check one)**:

☐ The monthly Disability benefit shall be computed in the same manner as the Normal Retirement benefit, based upon the Participant's Accrued Benefit as of his Disability Retirement Date.

☒ Other method **(must specify)**: **For all Employee classes except Class 6, the monthly Disability benefit shall be computed in the same manner as the Normal Retirement benefit, based upon the Participant's Accrued Benefit as of his Disability Retirement Date. For Class 6, the Disability benefit shall be computed as provided in Section 7.29(c)(4) or 7.29(c)(9) of the Addendum to the Adoption Agreement, as applicable.**

Minimum Disability Benefit. The Adopting Employer may set a minimum Disability Benefit. The Employer elects the following minimum Disability benefit **(check one)**:

☐ No minimum is established.

☒ No less than **(check one):** ☒ 20% ☐ 10% ☐ ____% **(if other than 20% or 10% insert percentage amount)** of the Participant's average monthly Earnings for the 12 calendar month period immediately preceding his Termination of Employment as a result of a Disability **(this provision does not apply to Class 6 Employees).**

☐ No less than **(check one):** ☐ 66 2/3 % ☐ ______% **(if other than 66 2/3%, insert percentage amount)** of the Participant's average monthly Earnings for the 12 calendar month period immediately preceding his Termination of Employment as a result of a Disability, less any benefits paid from Workers Compensation, federal Social Security benefits as a result of disability, any state compulsory disability plan, and any disability income plan paid by the Employer.

☐ Other Minimum **(must specify)**: ____

BENEFIT CAP FOR ELECTED OFFICIALS

Complete this section only if elected or appointed members of the Governing Authority participate in the Plan. In addition to any other limitations imposed by federal or state law, the Employer may impose a cap on the monthly benefit amount that may be received by elected or appointed members of the Governing Authority. The Employer elects **(check one)**:

☒ No cap.

☐ Monthly benefit for Service as an elected or appointed member of the Governing Authority may not exceed 100% of the Participant's final salary as an elected or appointed member of the Governing Authority.

☐ Other cap **(must specify)**: ____

DISTRIBUTIONS FOR THOSE WHO REMAIN IN SERVICE AFTER NORMAL RETIREMENT

The Employer may elect to permit active Participants who have satisfied the Employer's qualifications for Normal Retirement or Alternative Normal Retirement to begin drawing their retirement benefit even though they have not yet terminated employment with Employer, subject to the terms of the Master Plan. The Employer makes the following election in this regard **(check one)**:

☒ Distribution of retirement benefits is **not** permitted until the Participant has terminated employment and otherwise qualifies for receipt of benefits.

☐ Participants who have satisfied the qualifications for Normal Retirement or Alternative Normal Retirement may begin drawing their Normal Retirement benefit even though they remain in the service of the Employer. This provision applies to **(check one)**:

☐ All Participants

☐ Only Participants in the following classes (in-service distributions not permitted for any others) **(must specify)**: ____________________________

COST OF LIVING ADJUSTMENT

The Employer may elect to provide for a cost-of-living adjustment (COLA) in the amount of benefits being received by Retired Participants and Beneficiaries, which shall be calculated and paid in accordance with the terms of the Master Plan. The Employer hereby elects the following:

☒ No cost-of-living adjustment **(applies to Class 2 and Class 4 only).**

☒ Variable annual cost-of-living adjustment not to exceed **5%** **(applies to Class 6 only).**

☒ Fixed annual cost-of-living adjustment equal to **1.5%** **(applies to Class 1, Class 3, Class 5, Class 7, Class 8, and Class 9 only).**

The above cost-of-living adjustment shall apply with respect to Participants (and their Beneficiaries) who terminate employment on or after _________________ **(insert date).**

RE-EMPLOYMENT AFTER RETIREMENT

Reemployment After Normal Retirement. In the event a Retired Participant is reemployed with the Employer as an Eligible Employee after his Normal Retirement Date, the following rule shall apply **(check one)**:

☐ The Participant's benefit shall be suspended in accordance with Article VI, Section 6(a) of the Master Plan for as long as the Participant remains employed.

☒ The Participant may continue to receive his retirement benefit in accordance with Article VI, Section 6(c) of the Master Plan. This rule shall apply to **(check one)**: ☐ all Retired Participants ☒ only the following classes of Retired Participants **(must specify - benefits of those Retired Participants not listed shall be suspended in accordance with Article VI, Section 6(a) of the Master Plan if they return to work with the Employer)**: **Retired Participants who return to employment with the Employer pursuant to a written reemployment agreement with the Employer. This limitation shall also apply with respect to reemployment after Early Retirement (see below).**

Reemployment After Early Retirement. In the event a Participant retires with an Early Retirement benefit and is reemployed with the Employer as an Eligible Employee before his Normal Retirement Date, the following rule shall apply **(check one)**:

☐ The Participant's Early Retirement benefit shall be suspended in accordance with Article VI, Section 6(a) of the Master Plan for as long as the Participant remains employed.

☒ The Participant's eligibility to continue receiving Early Retirement benefits shall be subject to the following limitations **(if this item is checked, check one of the following)**:

- ☐ The Participant's Early Retirement benefit shall be suspended. However, the Participant may again begin receiving benefits after he satisfies the qualifications for Normal Retirement or alternative Normal Retirement in accordance with Article VI, Section 6(d) of the Master Plan.

- ☒ The Participant may continue receiving his Early Retirement benefit in accordance with Article VI, Section 6(e) of the Master Plan, provided his initial retirement was in good faith and he does not return to employment with the Employer for a minimum of **6** months **(insert number no less than 6)** following his effective Retirement date. If this requirement is not met, the Participant's benefit shall be suspended until he satisfies the qualifications for Normal Retirement or alternative Normal Retirement in accordance with Article VI, Section 6(d) of the Master Plan.

TERMINATION OF EMPLOYMENT BEFORE RETIREMENT; VESTING

Eligible Regular Employees

Subject to the terms and conditions of the Master Plan, a Participant who is an Eligible Regular Employee and whose employment is terminated for any reason other than death or retirement shall earn a vested right in his accrued retirement benefit in accordance with the following schedule **(check one):**

☐ **No vesting schedule (immediate vesting)**.

☒ **Cliff Vesting Schedule.** Benefits shall be 100% vested after the Participant has a minimum of **5** years **(insert number not to exceed 10)** of Total Credited Service. Benefits remain 0% vested until the Participant satisfies this minimum.

☐ **Graduated Vesting Schedule.** Benefits shall become vested in accordance with the following schedule **(insert percentages)**:

COMPLETED YEARS OF TOTAL CREDITED SERVICE	**VESTED PERCENTAGE**
1	%
2	%
3	%
4	%
5	%
6	%
7	%
8	%
9	%
10	%

Exceptions: If a vesting schedule other than that specified above applies to a special class(es) of Regular Employees, the Employer must specify the different vesting schedule below and the class(es) to whom the different vesting schedule applies.

Regular Employees to whom exception applies **(must specify)**: **(1) Class 2 and Class 4 (see pp. 5-7 for description of classes); and (2) Participants who are employed in a senior executive service (SES) position listed in Addendum Section 7.42(c) on or after January 1, 2009, provided the preconditions specified in Addendum Section 7.42(a) are sastisfied.**

Vesting Schedule for excepted class **(must specify)**: **(1) For Class 2 and Class 4, benefits shall be 100% vested after the Participant has a minimum of 10 years of Total Credited Service. Benefits remain 0% vested until the Participant satisfies this minimum. (2) Subject to the preconditions specified in Addendum Section 7.42(a), Participants in this Plan who hold a senior executive service (SES) position listed in Addendum Section 7.42(c) on or after January 1, 2009 will be considered immediately vested in their accrued normal retirement benefit (no vesting schedule).**

Elected or Appointed Members of the Governing Authority

Complete this Section only if Elected or Appointed Members of the Governing Authority are permitted to participate in the Plan. Subject to the terms and conditions of the Master Plan, a Participant who is an elected or appointed member of the Governing Authority or a Municipal Legal Officer shall earn a vested right in his accrued retirement benefit for Credited Service in such capacity in accordance with the following schedule **(check one)**:

☒ No vesting schedule (immediate vesting).

☐ Other vesting schedule **(must specify)**: ___________________________________

PRE-RETIREMENT DEATH BENEFITS

IN-SERVICE DEATH BENEFIT

Subject to the terms and conditions of the Master Plan, the Employer hereby elects the following in-service death benefit, to be payable in the event that an eligible Participant's employment with the Employer is terminated by reason of death prior to Retirement **(check and complete one)**:

☒ **Auto A Death Benefit.** A monthly benefit payable to the Participant's Pre-Retirement Beneficiary, equal to the decreased monthly retirement benefit that would have otherwise been payable to the Participant, had he elected a 100% joint and survivor benefit under Article VII, Section 3 of the Master Plan. In order to be eligible for this benefit, a Participant must meet the following requirements::

☒ The Participant must be vested in a normal retirement benefit.

☐ The Participant must have ______ years **(insert number)** of Total Credited Service.

☒ The Participant must be eligible for Early or Normal Retirement **(this requirement applies to Class 2 and Class 4 only).**

☐ Other eligibility requirement **(must specify): _______________________**

☐ **Actuarial Reserve Death Benefit.** A monthly benefit payable to the Participant's Pre-Retirement Beneficiary, actuarially equivalent to the reserve required for the Participant's anticipated Normal Retirement benefit, provided the Participant meets the following eligibility conditions **(check one)**:

☐ The Participant shall be eligible immediately upon becoming a Participant.

☐ The Participant must have _____ years **(insert number)** of Total Credited Service.

☐ Other eligibility requirement **(must specify): _______________________**

Imputed Service. For purposes of computing the actuarial reserve death benefit, the Participant's Total Credited Service shall include **(check one)**:

☐ Total Credited Service accrued prior to the date of the Participant's death.

☐ Total Credited Service accrued prior to the date of the Participant's death, plus **(check one):** ☐ one-half (½) ☐ ___________ **(insert other**

fraction) of the Service between such date of death and what would otherwise have been the Participant's Normal Retirement Date.

Exceptions: If an in-service death benefit other than that specified above applies to one or more classes of Participants, the Employer must specify below the death benefit payable, the class(es) to whom the different death benefit applies, and the eligibility conditions for said death benefit.

Alternative Death Benefit **(must specify)**: **see Addendum Section 7.29(d) for description of in-service death benefit applicable to Class 6 Participants.**

Participants to whom alternative death benefit applies **(must specify)**: **Class 6**

Eligibility conditions for alternative death benefit **(must specify)**: **see Addendum Section 7.29(d).**

TERMINATED VESTED DEATH BENEFIT

Complete this Section only if the Employer offers a terminated vested death benefit. The Employer may elect to provide a terminated vested death benefit, to be payable in the event that a Participant who is vested dies after termination of employment but before Retirement benefits commence. Subject to the terms and conditions of the Master Plan, the Employer hereby elects the following terminated vested death benefit **(check one)**:

☒ **Auto A Death Benefit.** A monthly benefit payable to the Participant's Pre-Retirement Beneficiary, equal to the decreased monthly retirement benefit that would have otherwise been payable to the Participant had he elected a 100% joint and survivor benefit under Article VII, Section 3 of the Master Plan.

☐ **Accrued Retirement Benefit.** A monthly benefit payable to the Participant's Pre-Retirement Beneficiary which shall be actuarially equivalent to the Participant's Accrued Normal Retirement Benefit determined as of the date of death.

Exceptions: If a terminated vested death benefit other than that specified above applies to one or more classes of Participants, the Employer must specify below the death benefit payable, the class(es) to whom the different death benefit applies, and the eligibility conditions for said death benefit.

Alternative Death Benefit **(must specify):** **None - no terminated vested death benefit available to Class 2, Class 4, or Class 6 (see pp. 5-7 for description of classes).**

Participants to whom alternative death benefit applies **(must specify):** ____________________

Eligibility conditions for alternative death benefit **(must specify):** ______________________

EMPLOYEE CONTRIBUTIONS

Employee contributions **(check one)**:

☐ Are not required.

☐ Are required in the amount of ____ **(insert percentage)** of Earnings for all Participants.

☒ Are required in the amount of **3.5%** **(insert percentage)** of Earnings for Participants in the following classes **(must specify)**: **Class 1, Class 2, Class 3, Class 4 (employee contribution rates are subject to change).**

☒ Are required in the amount of **4.0%** **(insert percentage)** of Earnings for Participants in the following classes **(must specify)**: **Class 5, Class 6, Class 7, Class 8, Class 9 (employee contribution rates are subject to change)**.

Pre-Tax Treatment of Employee Contributions. If employee contributions are required, an Adopting Employer may elect to "pick-up" employee contributions to the Plan in accordance with IRC Section 414(h). In such case employee contributions shall be made on a pre-tax rather than a post-tax basis, provided the requirements of Section 414(h) are met. If the Employer elects to pick-up employee contributions, it is the Employer's responsibility to ensure that employee contributions are paid and reported in accordance with Section 414(h). The Employer hereby elects **(check one)**:

☒ To pick-up employee contributions.

☐ Not to pick-up employee contributions.

When elected by the Adopting Employer to be picked up, the Adopting Employer shall pick up and pay Employee contributions in accordance with Code Section 414(h)(2) as follows: (1) the contributions, although designated as Employee contributions, shall be paid by the Adopting Employer in lieu of contributions by the Employee as elected by the Adopting Employer in the Adoption Agreement, which shall be effective on a prospective basis and constitute written formal action to implement the pick-up; and (2) the Employee must not be given the option, on or after the effective date of the pick-up, to have a cash or deferred election right (within the meaning of Treasury Regulation Section 1.401(k)-1(a)(3)) with respect to designated Employee contributions, which includes not having the option of receiving the amounts directly instead of having them paid to the Plan.

Interest on Employee Contributions. The Adopting Employer may elect to pay interest on any refund of Employee Contributions.

☐ Interest shall not be paid.

☒ Interest shall be paid on a refund of Employee Contributions at a rate established by GMEBS from time to time **(this provision applies to Class 2 and Class 4 only. See Addendum Section 7.29(a) for provisions on crediting interest for Class 6 and Addendum Section 7.33 on crediting interest for other classes).**

EMPLOYER ADOPTION

The Adopting Employer hereby agrees to abide by the Master Plan, Trust Agreement, bylaws, and rules and regulations adopted by the Board of Trustees of GMEBS, as each may be amended from time to time, in all matters pertaining to the operation and administration of the Plan. It is intended that the Act creating the Board of Trustees of GMEBS, the bylaws of the Board, the rules and regulations of the Board, and this Plan are to be construed in harmony with each other. In the event of a conflict between the provisions of any of the foregoing, they shall govern in the following order:

(1) The Act creating the Board of Trustees of the Georgia Municipal Employees Benefit System, O.C.G.A. Section 47-5-1 et seq. and any other applicable provisions of O.C.G.A. Title 47;

(2) The bylaws of the Board;

(3) The rules and regulations of the Board;

(4) This Ordinance and Adoption Agreement.

In the event that any section, subsection, sentence, clause or phrase of this Plan shall be declared or adjudged invalid or unconstitutional, such adjudication shall in no manner affect the previously existing provisions or the other section or sections, subsections, sentences, clauses or phrases of this Plan, which shall remain in full force and effect, as if the section, subsection, sentence, clause or phrase so declared or adjudicated invalid or unconstitutional were not originally a part hereof. The Governing Authority hereby declares that it would have passed the remaining parts of this Plan or retained the previously existing provisions if it had known that such part or parts hereof would be declared or adjudicated invalid or unconstitutional.

The Adopting Employer understands that failure to properly complete this Adoption Agreement may result in the Adopting Employer's plan not being qualified under the Internal Revenue Code. The Adopting Employer also agrees it will inform the Board of any amendments to this Adoption Agreement, its Plan, or the discontinuance, abandonment or termination of its Plan.

AN ORDINANCE (continued from page 1)

Section 2. Except as otherwise specifically required by law or by the terms of the Master Plan, Adoption Agreement, or Addendum, the rights and obligations with respect to persons whose employment or term of office with Augusta, Georgia was terminated for any reason whatsoever prior to the effective date of this Ordinance are fixed and shall be governed by such Plan, if any, as applied to the person and was in effect at the time of such termination.

Section 3. The effective date of this Ordinance shall be upon adoption by the Augusta-Richmond County Commission (see below).

Section 4. All Ordinances and parts of ordinances in conflict herewith are expressly repealed.

Approved by the Augusta-Richmond County Commission, this _______ day of ______________________, 2009.

Attest: AUGUSTA-RICHMOND COUNTY

________________________ ____________________________________

Clerk Mayor

(SEAL)

Approved:

____

Attorney

The terms of the foregoing Adoption Agreement are approved by the Board of Trustees of the Georgia Municipal Employees Benefit System.

IN WITNESS WHEREOF, the Board of Trustees of the Georgia Municipal Employees Benefit System has caused its Seal and the signatures of its duly authorized officers to be affixed this ______ day of ___________________________, 20____.

Board of Trustees
Georgia Municipal Employees
Benefit System

(SEAL)

____

Secretary

915486v2

ADDENDUM TO THE GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM DEFINED BENEFIT PLAN ADOPTION AGREEMENT

This is an Addendum to the April 2009 amended Adoption Agreement for <u>Augusta-Richmond County.</u> It modifies the April 2009 amended Adoption Agreement in the following ways:

1. Addition of a new Department or a new class of Eligible Employees (for amendment of Adoption Agreement only - see pages 4 and 5 of Adoption Agreement):

2. Discontinuance of participation in the Plan by one or more Departments or classes of Employees (for amendment of Adoption Agreement only - see page 5 of Adoption Agreement):

N/A

3. Special eligibility service requirement for Regular Employees (see page 5 of Adoption Agreement regarding Waiting Period):

N/A

4. Credited Past Service under the Plan for newly eligible classes of employees (see page 8 of Adoption Agreement regarding Past Credited Service):

N/A

5. One-time or ad-hoc cost-of-living adjustments (see Article VI, Section 5(d) of Master Plan regarding Cost of Living Adjustment):

N/A

6. Alternative early retirement actuarial reduction table for one or more classes of Eligible Employees (see Article VI, Section 2 of Master Plan regarding Early Retirement Benefit):

N/A

7. Other:

7.1 New GMEBS Plan Election by 1998 Defined Contribution Plan Participants; Generally

Augusta-Richmond County (hereinafter "Augusta") has previously maintained a defined contribution plan known as the 1998 Augusta Money Purchase Plan (Nationwide Retirement Solutions Governmental Defined Contribution Plan, hereinafter referred to as the "1998 Defined Contribution Plan" or "DC Plan"). Employees who are actively employed (as reflected in the records of the Employer) as of October 1, 2007, including elected or appointed members of the Governing Authority, who are Participants in the 1998 Defined Contribution Plan and including any Employees who would be eligible to participate under the DC Plan as of October 1, 2007 but who have not yet satisfied the 30-day waiting period under the DC Plan as of October 1, 2007, shall make a one-time, irrevocable election on a form provided by Augusta for such purpose and in accordance with the procedures specified in Sections 7.11-7.15 below (concerning the employee election process) to either: 1) continue participating in the DC Plan, subject to the terms and conditions of the DC Plan, as amended and restated effective January 1, 2008; or 2) waive their benefits under the DC plan, transfer their DC Plan account balance to this Plan (new GMEBS DB Plan), and begin participating under this Plan subject to the terms and conditions of this Plan and in particular those terms and conditions applicable to Class 7 Employees (see Adoption Agreement pp. 5-7, "Eligible Classes of Employees"). Terminated Employees and former Participants under the DC Plan (as of October 1, 2007) shall not be permitted to make an election and shall continue to be subject to the terms of the DC Plan, as amended and restated effective January 1, 2008, with respect to their period of participation under the DC Plan, except as otherwise provided in Section 7.18 below (concerning reemployment).

7.2 Effect of New GMEBS DB Plan Election by 1998 DC Plan Participants (Class 7)

If an Employee participant under the DC Plan as of October 1, 2007 elects (affirmatively or by default) to waive his participation under the DC Plan in favor of participation under this Plan (new GMEBS DB Plan): 1) he will be required as part of said election to authorize and direct (or he will be deemed to have authorized and directed in the case of a default election) the transfer of the value of all accounts maintained on behalf of the Employee under the DC Plan as of December 31, 2007 (including all employer contributions, employee contributions, and earnings thereon up until the transfer date, but excluding any rollover contributions and earnings thereon) from the DC Plan to this Plan, for the purpose of funding benefits payable under this Plan (no partial account transfers will be permitted); 2) he will be subject to the terms of the GMEBS Master Plan, the Adoption

Agreement and this Addendum generally, and the plan benefits and features that apply to Class 7 Employees in particular (as reflected in the GMEBS Adoption Agreement and this Addendum); 3) the period of service with Augusta-Richmond County prior to January 1, 2008 during which the Employee made required employee contributions to the DC Plan, as reflected in the records of the Employer and as reported to GMEBS, excluding any periods for which the Employee did not make employee contributions to the DC Plan and provided the Employee has not previously withdrawn or received a distribution of his DC Plan account funds (in the event of a partial withdrawal, the employee's credit for prior service will be prorated), will be taken into account under this Plan for purposes of determining the amount of any retirement or death benefit payable to or on behalf of the Employee under this Plan and for purposes of meeting this Plan's minimum service requirements for vesting, and eligibility for retirement or death benefits, except as otherwise provided in Section 7.34 below (concerning employee withdrawal of contributions); 4) he will be considered vested in his transferred employer contributions as of December 31, 2007 to the extent he was vested in said contributions under the terms of the DC Plan as of December 31, 2007 and he will be considered 100% vested in said employer contributions when he has at least 5 years of combined Credited Service under the former DC Plan and the new GMEBS DB plan; 5) he will be 100% vested in his transferred employee contributions as of December 31, 2007, and the Employee will have a guaranteed minimum benefit, payable in accordance with the benefit payment options available under the new GMEBS DB Plan, equal to the value of his transferred employee contributions under the DC Plan as of December 31, 2007, plus 5% interest per year after December 31, 2007, computed in accordance with Section 7.33 below (this provision shall not be interpreted to permit lump sum distributions, except as otherwise permitted in the Master Plan); 6) if the Employee terminates employment with Augusta-Richmond County before becoming 100% vested under the GMEBS DB Plan, the amount of his employee contributions, including employee contributions transferred from the 1998 DC Plan, together with interest computed in accordance with Section 7.33 below, will be paid to the Employee (or to the Employee's estate in the case of termination due to death) in a lump sum in lieu of any other benefit under the GMEBS DB Plan; 7) if the Employee terminates employment, retires, or dies after becoming 100% vested under the Plan, the total amount of benefits paid to the Employee (and/or his Beneficiary, as applicable) cannot be less than the value of the Employee's transferred employee contributions as of December 31, 2007 plus any employer contributions transferred from the 1998 DC Plan, plus interest on such amounts, computed in accordance with Section 7.33 below, reduced by any benefits previously paid to the Employee (or his Beneficiary) under the Plan; 8) the Employee's Credited Service with other GMEBS member employers (apart from Augusta-Richmond County) will be counted in determining whether the Employee has satisfied the minimum service requirements for vesting under this Plan; and 9) if the Employee has credited service under the 1977 DB Plan or Old GMEBS Plan prior to January 1, 2008 (excluding any periods for which the Employee did not make employee contributions and provided the Employee has not previously withdrawn or received a distribution of his employee contributions) such credited service will also be counted under this Plan for purposes of determining the amount of any retirement or death benefit payable to or on behalf of the Employee under this Plan and for purposes of meeting this Plan's minimum service requirements for vesting and eligibility for retirement or death benefits.

7.3 <u>Treatment of Transferred DC Plan Account Funds</u>

1998 Defined Contribution Plan account balances transferred to this Plan (new GMEBS DB Plan) pursuant to Section 7.2 above will be used to help fund benefits payable to the Employee (and/or his Beneficiary under this Plan, as applicable) under this Plan. Amounts transferred to this Plan shall not otherwise be distributable to the Employee or any other person or entity, except as otherwise provided in Section 7.2 above or Section 7.34 below (concerning employee withdrawal of contributions). Upon the transfer of DC account funds to this Plan, Employees who elect the new GMEBS Plan shall have no further right, title, or interest under the DC Plan in its then current form or as amended, except with respect to any rollover contributions and earnings thereon remaining in the DC plan.

7.4 <u>Effect of Election to Remain in DC Plan</u>

If an Employee participant under the DC Plan as of October 1, 2007 elects not to transfer to this Plan (new GMEBS DB Plan), then he will not be permitted to participate in this Plan or receive any benefit from this Plan, except as otherwise provided in this Section 7.4 or under Section 7.19 below (concerning reemployment). If a DC Plan participant elects not to transfer to this Plan and he has previously participated under the 1977 Plan or the old GMEBS Plan, then his eligibility for early or normal retirement benefits and the amount of any retirement benefit payable with respect to his prior period of participation under such plan (including cost-of-living adjustments), if any, shall be determined based upon the benefit formula and the other terms of 1977 Plan or the old GMEBS plan (as applicable) in effect as of the date that he ceased participating in said plan as an active employee, and his final average earnings as of said date. In no event will a DC Plan participant who elects not to transfer to this Plan be eligible for disability benefits or pre-retirement death benefits under this Plan based on his prior old GMEBS Plan or 1977 Plan service, except as otherwise provided below with respect to reemployment.

7.5 <u>New GMEBS Plan Election by 1977 Defined Benefit Plan Participants; Generally</u>

Augusta-Richmond County has previously maintained a defined benefit plan known as the January 1, 1977 Retirement Plan (hereinafter referred to as the "1977 DB Plan" or "1977 Plan"). Employees who are actively employed and who are Participants in the 1977 Plan as of October 1, 2007 (as reflected in the records of the Employer) shall make a one-time, irrevocable election on a form provided by Augusta for such purpose and in accordance with the procedures specified in Sections 7.11-7.15 below to either: 1) be subject to the plan benefits and features that apply to 1977 Plan Employees who elect the new GMEBS DB Plan (as reflected in the GMEBS Adoption Agreement and Addendum provisions applicable to Class 5 Employees); or 2) continue to be subject to certain plan benefits and features that previously applied under the 1977 Plan (as reflected in the GMEBS Adoption Agreement and Addendum provisions applicable to Class 6 Employees). Terminated Employees and former Participants under the 1977 Plan (as of October 1, 2007) shall not

be permitted to make an election and the amount of benefits payable to them upon normal retirement, if any, will be determined based upon their vested accrued normal retirement benefit as determined under the terms of the 1977 Plan in effect as of the date that they terminated participation under the 1977 Plan as an active employee, and their final average earnings determined under the terms of the 1977 Plan as of said termination date (except as otherwise provided in Section 7.20 below (concerning reemployment)). Except as otherwise provided in Addendum Section 7.20 below (concerning reemployment), said former Participants under the 1977 Plan shall otherwise be subject to the terms and conditions of the GMEBS Adoption Agreement and Addendum that apply to Class 6 Employees with respect to eligibility requirements for early or normal retirement, cost-of-living adjustments, early retirement reduction factors, terminated vested death benefits (none available), benefit payment options (except that Retirees and beneficiaries in pay status as of December 31, 2007 will be bound by the retirement benefit payment option previously selected by the Retiree), interest on employee contributions, the grandfathered 415 limit (see Addendum Section 7.29(c)), and termination of disability retirement benefits.

7.6 Effect of New GMEBS Plan Election by 1977 DB Plan Participants (Class 5)

If an Employee participant under the 1977 Defined Benefit Plan as of October 1, 2007 elects (affirmatively or by default) to waive certain benefits payable under the terms of the 1977 DB Plan in favor of participation under this Plan (new GMEBS DB Plan): 1) he will be required as part of said election to authorize (or in the case of a default election, he will be deemed to have authorized) the use of all employee contributions made to the 1977 Plan (and accumulated interest thereon) to help fund benefits payable under this Plan; 2) he will be subject to the terms of the GMEBS Master Plan, this Adoption Agreement and Addendum generally, and the plan benefits and features that apply to Class 5 Employees in particular (as reflected in the GMEBS Adoption Agreement and this Addendum); 3) his credited service as determined under the terms of the 1977 Plan in effect immediately prior to January 1, 2008 (as reflected in the records of the Employer and as reported to GMEBS), excluding any periods during which the Employee did not make required contributions to the 1977 Plan or any period for which the Employee has withdrawn or received a refund of employee contributions, will be taken into account under this Plan for purposes of determining the amount of any retirement or death benefit payable to or on behalf of the Employee under this Plan and for purposes of meeting the minimum service requirements for vesting and eligibility for retirement or death benefits applicable to Class 5 Employees; 4) his Credited Service with other GMEBS member employers (apart from Augusta-Richmond County) will be counted in determining whether the Employee has satisfied the minimum service requirements for vesting under this Plan; and 5) if the Employee has previously participated under the old GMEBS Plan, his credited service under the old GMEBS Plan prior to January 1, 2008, if any (excluding any periods for which the Employee did not make employee contributions and provided the Employee has not previously withdrawn or received a distribution of his employee contributions) will be taken into account under this Plan for purposes of determining the amount of any retirement or death benefit payable to or on behalf of the Employee under this Plan and for purposes of meeting this Plan's minimum service requirements for vesting and eligibility for retirement or death benefits.

7.7 <u>Effect of Election to Remain Subject to Certain 1977 DB Plan Provisions (Class 6)</u>

If an Employee participant under the 1977 Defined Benefit Plan as of October 1, 2007 elects <u>not</u> to be subject to the terms of new GMEBS Plan that apply to Class 5 Participants: 1) he will continue to be subject to certain plan benefits and features that previously applied under the 1977 Plan (as reflected in the GMEBS Adoption Agreement and Addendum provisions applicable to "Class 6" Employees); 2) employee contributions previously made to the 1977 DB Plan (and accumulated interest thereon) will be used to fund Class 6 benefits payable to the Employee under this Plan; 3) he will be subject to the applicable terms of the GMEBS Master Plan, the Adoption Agreement and this Addendum generally, and the plan benefits and features that apply to Class 6 Employees in particular (as reflected in the GMEBS Adoption Agreement and Addendum), except as otherwise provided in this Section and in Section 7.29 (concerning certain 1977 Plan provisions that will remain in effect for Class 6 Employees) and Section 7.21 (concerning reemployment); 4) his credited service under the 1977 Plan as determined under the terms of the 1977 Plan in effect immediately prior to January 1, 2008 (as reflected in the records of the Employer and as reported to GMEBS), excluding any periods during which the Employee did not make required contributions to the 1977 Plan or any period for which the Employee has withdrawn or received a refund of employee contributions, will be taken into account under this Plan for purposes of determining the amount of any retirement or death benefit payable to or on behalf of the Employee under this Plan and for purposes of meeting the minimum service requirements for vesting and eligibility for retirement or death benefits applicable to Class 6 Employees; 5) his Credited Service with other GMEBS member employers will <u>not</u> be counted in determining whether the Employee has satisfied the minimum service requirements for vesting under this Plan; and 6) if he has previously participated under the old GMEBS Plan prior to January 1, 2008, then his eligibility for early or normal retirement benefits and the amount of any retirement benefit payable with respect to his period of participation under the old GMEBS plan (including cost-of-living adjustments), if any, shall be determined based upon the benefit formula and the other terms of the old GMEBS plan in effect as of the date that he ceased participating in said plan as an active employee, and his final average earnings as of said date, except as otherwise provided below with respect to reemployment.

7.8 <u>New Plan Election by Current GMEBS DB Plan Participants; Generally</u>

Employees who are actively employed and who are Participants in Augusta's GMEBS Defined Benefit Plan as of October 1, 2007 (as reflected in the records of the Employer) shall make a one-time, irrevocable election on a form approved for such purpose and in accordance with the procedures specified in Sections 7.11-7.15 below to either: (1) be subject to the plan benefits and features that apply to current GMEBS Plan participants who elect the new GMEBS Plan (as reflected in the new GMEBS Adoption Agreement and Addendum provisions applicable to Class 1 Employees (public safety employees formerly known as "Class 1" Employees under old GMEBS Plan who elect new GMEBS Plan) and Class 3 Employees (non-public safety employees formerly known as "Class 2" Participants under old GMEBS Plan who elect new GMEBS Plan); or (2) continue to be subject to

certain plan benefits and features that applied under the GMEBS Plan prior to January 1, 2008 (as reflected in the new GMEBS Adoption Agreement and Addendum provisions applicable to Class 2 Employees (public safety employees formerly known as "Class 1" Participants under old GMEBS Plan who do not elect new GMEBS Plan) and Class 4 Employees (non-public safety employees formerly known as "Class 2" Participants under old GMEBS Plan who do not elect the new GMEBS Plan). Terminated Employees and former Participants under the GMEBS Plan (as of October 1, 2007) shall not be permitted to make an election and shall be subject to the old GMEBS plan terms and conditions, benefits and features that were in effect as of the person's termination date (as applicable, depending on the person's classification under the old GMEBS Plan), except as otherwise provided in Section 7.22 below (concerning reemployment).

7.9 <u>Effect of New Plan Election by Current GMEBS Participants (New Class 1 and Class 3)</u>

If an Employee Participant under the GMEBS Plan as of October 1, 2007 elects (affirmatively or by default) to waive benefits payable under the terms of the former GMEBS Plan in favor of benefits payable under the terms of the new GMEBS Plan that becomes effective January 1, 2008: 1) he will be subject to the terms of the GMEBS Master Plan, the Adoption Agreement and this Addendum generally, and the plan benefits and features that apply in particular to Class 1 Employees (public safety Employees formerly known as "Class 1" Employees under old GMEBS Plan who elect new GMEBS Plan) or Class 3 Employees (non-public safety Employees formerly known as "Class 2" Participants under old GMEBS Plan who elect new GMEBS Plan) as applicable and as reflected in the GMEBS Adoption Agreement and this Addendum; and 2) if the Employee has previously participated under the 1977 Plan, his credited service under the 1977 Plan prior to January 1, 2008, if any (excluding any periods for which the Employee did not make employee contributions and provided the Employee has not previously withdrawn or received a distribution of his employee contributions) will be taken into account under this Plan for purposes of determining the amount of any retirement or death benefit payable to or on behalf of the Employee under this Plan and for purposes of meeting this Plan's minimum service requirements for vesting and eligibility for retirement or death benefits.

7.10 <u>Effect of Old Plan Election by Current GMEBS Participants (Class 2 and Class 4)</u>

If an Employee Participant under the GMEBS Plan as of October 1, 2007 elects not to waive benefits payable under the terms of the former GMEBS Plan in favor of benefits payable under the terms of the GMEBS Plan that become effective January 1, 2008: 1) he will be subject to the terms of the GMEBS Master Plan, the Adoption Agreement and this Addendum generally, and the plan benefits and features that apply in particular to Class 2 Employees (public safety Employees formerly known as "Class 1" Employees under old GMEBS Plan who do not elect new GMEBS Plan) or Class 4 Employees (non-public safety Employees formerly known as "Class 2" Participants under old GMEBS Plan who do not elect new GMEBS Plan), as applicable and as reflected in the GMEBS Adoption Agreement and this Addendum; and 2) if he has previously participated under the 1977 Plan prior to January 1, 2008, then his eligibility for early or normal retirement benefits and the amount of any retirement benefit payable with respect to his period of

participation under the 1977 Plan (including cost-of-living adjustments), if any, shall be determined based upon the benefit formula and the other terms of the 1977 plan in effect as of the date that he ceased participating in said plan as an active employee, and his final average earnings as of said date.

7.11 Window Period for Election

Employees (including elected or appointed members of the Governing Authority) who are eligible to make an election under Section 7.1, 7.5, or 7.8 above must submit a completed, signed election on an Employer-approved form pursuant to any procedures established by the Interim Human Resources Director. The election period shall not exceed forty-five (45) days. Employees who have terminated employment may not make an election.

7.12 Resolution of Election Discrepancies

Any discrepancies with regard to the determination of whether an Employee has made an effective election shall be resolved by the Interim Human Resources Director within a reasonable time following the election period.

7.13 Effect of No Election (Default Election) – Participation in New GMEBS DB Plan

If a 1998 DC Plan participant, a 1977 DB Plan participant, or a GMEBS Plan participant is eligible to make an election but he fails or refuses to submit a signed election form within the prescribed election period pursuant to any procedures established by the Interim Human Resources Director, the Employee will be deemed to have irrevocably elected to participate under the terms of the new GMEBS DB Plan and he will be subject to the provisions of the Adoption Agreement and this Addendum that apply to Class 1, Class 3, Class 5, or Class 7 Participants, as applicable.

7.14 Death or Termination Prior to Effective Date or Transfer of Account Funds

If an Employee elects to transfer to the new GMEBS DB Plan (affirmatively or by default) but he dies, terminates employment, or vacates office prior to January 1, 2008 or before his DC Plan account funds are received by GMEBS, then his election to transfer to the new GMEBS Plan will not be effective and will be considered null and void.

7.15 Employees on Leave of Absence; Election

If an Employee participant in the 1998 DC Plan, the 1977 DB Plan, or the GMEBS Plan would otherwise be eligible to make an election but is on an approved leave of absence that includes any part of the election period (and assuming the Employee does not submit an election form before the end of the election period), the Employee will be given the opportunity to make the irrevocable election referred to in Section 7.11 above, if and when

the Employee returns to active employment with Augusta immediately upon expiration of said leave of absence. Said election must be submitted by the Employee to the Interim Human Resources Director within one (1) calendar month of the Employee's return to active employment. If the Employee does not return to active employment with Augusta immediately following expiration of the leave of absence, the Employee will be deemed to have irrevocably elected not to participate under the terms of the new GMEBS DB Plan. If the Employee returns to active employment as an Eligible Regular Employee immediately upon expiration of the leave of absence but does not make an election within one (1) calendar month after return to active employment, the Employee will be deemed to have elected the new GMEBS Plan and will be subject to the terms of the Plan applicable to Class 1, Class 3, Class 5 or Class 7, as applicable.

7.16 <u>Eligible Regular Employees Initially Employed or Reemployed Between October 1, 2007 & January 1, 2008</u>

If an Eligible Regular Employee is initially employed or reemployed after October 1, 2007 and before January 1, 2008, he or she will not be eligible to participate in the 1998 DC Plan. Assuming he meets the applicable requirements for participation in this Plan, the Employee will commence participation in this Plan as of January 1, 2008, and the Employee will begin making employee contributions to the Plan as of January 1, 2008. However, assuming the other terms and conditions of the Plan are satisfied, Eligible Regular Employees who are initially employed or reemployed after October 1, 2007 and before January 1, 2008 and who become Participants in this Plan will receive credit for Service between October 1, 2007 and January 1, 2008, notwithstanding the fact that their employee contributions will not commence until January 1, 2008.

7.17 <u>30-Day Waiting Period for Participation under New GMEBS DB Plan</u>

Notwithstanding any provision in the Adoption Agreement to the contrary, effective January 1, 2008 with respect to Eligible Employees initially employed or reemployed on or after said date, there will be a thirty (30) day waiting period for participation under the new GMEBS DB Plan. Eligible Employees shall commence participation in the Plan as of the first day of the month coinciding with or following the date that they satisfy the 30-day waiting period, except as otherwise provided in the Adoption Agreement with respect to Eligible Employees for whom participation is optional and who elect in accordance with the terms of the Adoption Agreement not to participate in this Plan (see "Establishing Participation in the Plan," Adoption Agreement p. 9). Employee contributions to the Plan shall commence as of the first full payroll period that begins on or after the date that the Employee's participation in the Plan begins.

7.18 <u>Reemployment of Former 1998 DC Plan Participants after October 1, 2007 (No Election Opportunity); Participation in GMEBS DB Plan; Prior Service Credit Purchase</u>

This Section will not apply to any Employee who had an opportunity to make an election under Section 7.1 (active employee election) or 7.15 (election by employees on leave of absence). Except as otherwise provided in Section 7.36(c), if a former 1998 DC Plan Participant is reemployed as an Eligible Regular Employee after October 1, 2007, he will be governed by the terms of the new GMEBS DB Plan applicable to Class 9 Employees. Said Eligible Regular Employees will not receive any credit under this Plan with respect to their Service with Augusta-Richmond County prior to their reemployment date for any purpose (vesting, benefit eligibility, or benefit computation) under this Plan, except as otherwise permitted under Section 7.27 below (concerning service credit purchases).

7.19 Reemployment of DC Plan Participants Who Elect DC Plan; Mandatory Participation in GMEBS Plan

If a 1998 DC Plan Participant elects to remain in the DC Plan in accordance with Section 7.1 (active employees) or Section 7.15 (election by employees on leave of absence) above and is later terminated and reemployed by Augusta as an Eligible Employee, he will be governed by the terms of the new GMEBS Plan applicable to Class 9 Employees, notwithstanding his prior election. Said Eligible Employees will not receive any credit under this Plan with respect to their Service with Augusta-Richmond County prior to their reemployment date for any purpose (vesting, benefit eligibility, or benefit computation) under this Plan, except as otherwise permitted under Section 7.27 below (concerning service credit purchases).

7.20 Reemployment of Former 1977 DB Plan Participants after October 1, 2007 (No Election Opportunity); Mandatory Participation in GMEBS DB Plan

This Section will not apply to any Employee who had an opportunity to make an election under Section 7.5 (active employee election) or 7.15 (election by employees on leave of absence). Except as otherwise provided in Section 7.36(c), if a former 1977 DB Plan Participant is reemployed as an Eligible Regular Employee after October 1, 2007, he will be governed by the terms of the new GMEBS DB Plan applicable to Class 9 Employees. Said Employees will not receive any credit under this Plan with respect to their Service with Augusta-Richmond County prior to their reemployment date for any purpose (vesting, benefit eligibility, or benefit computation), if they have previously withdrawn their employee contributions to the 1977 DB Plan, except as otherwise permitted under Section 7.27 below (concerning service credit purchases). If returning Eligible Regular Employees have not withdrawn or received a refund of employee contributions made to the 1977 DB Plan prior to their reemployment, they will receive credit under this Plan for credited service under the 1977 Plan relating to said contributions prior to reemployment (the amount of such credited service will be determined based on the records of the Employer as reported to GMEBS), excluding any periods during which the Employee did not make required contributions to the 1977 Plan, provided they satisfy this Plan's break in service rules, if applicable. Such credit will be taken into account under this Plan for purposes of determining the amount of any retirement or death benefit payable to or on behalf of the Eligible Employee under this Plan and for purposes of meeting the minimum service

requirements for vesting and eligibility for retirement or death benefits, unless the Employee later withdraws his employee contributions (see Section 7.34 below).

7.21 <u>Reemployment of 1977 Plan Participants Who Elect Old 1977 Plan</u>

If a 1977 DB Plan Participant elects the old 1977 DB Plan in accordance with Section 7.5 (active employees) or Section 7.15 (leave of absence) above and is later terminated and reemployed by Augusta as an Eligible Regular Employee, he will be governed by the terms of the new GMEBS Plan applicable to Class 9 Employees, notwithstanding his prior election. This rule will also apply to a DC Plan participant or GMEBS Plan participant who makes an old plan election (see Section 7.4 and 7.10) if he has credited service prior to January 1, 2008 under the 1977 Plan, for purposes of determining eligibility and entitlement to benefits, if any, with respect to said prior credited service under the 1977 Plan.

7.22 <u>Reemployment of Former GMEBS Participants after October 1, 2007 (No Election Opportunity); Mandatory Participation in New GMEBS DB Plan</u>

This Section will not apply to any Employee who had an opportunity to make an election under Section 7.8 (active employee election) or Section 7.15 (election by employees on leave of absence). Except as otherwise provided in Section 7.36(c), if a former GMEBS Plan Participant is reemployed as an Eligible Regular Employee after October 1, 2007, he will he will be governed by the terms of the new GMEBS DB Plan applicable to Class 9 Employees. If returning Eligible Regular Employees have <u>not</u> withdrawn or received a refund of their employee contributions made to the GMEBS Plan prior to their reemployment, they will receive credit under this Plan for Credited Service under the GMEBS Plan prior to reemployment, subject to Section 7.25 below (concerning credit for Service prior to March 1, 1987) and subject to this Plan's break in service rules, if applicable. If they have withdrawn their contributions prior to reemployment, they will be governed by the provisions of the Master Plan concerning the effect of withdrawal.

7.23 <u>Reemployment of GMEBS Participants who Elect Old GMEBS Plan</u>

If a GMEBS Plan Participant elects the old GMEBS Plan in accordance with Section 7.10 (active employee election) or Section 7.15 (election by employees on leave of absence) above and is later terminated and reemployed by Augusta as an Eligible Regular Employee, he will be governed by the terms of the new GMEBS Plan applicable to Class 9 Employees, notwithstanding his prior election. This rule will also apply to a DC Plan participant or 1977 Plan participant who makes an old plan election (see Section 7.4 and 7.7) if he has credited service prior to January 1, 2008 under the old GMEBS Plan, for purposes of determining eligibility and entitlement to benefits, if any, with respect to said prior credited service under the old GMEBS Plan.

7.24 Reemployment of Former Participants under 1945, 1949 Plans

If a former Participant in the Augusta-Richmond County 1945 Pension Plan or the Augusta-Richmond County 1949 Pension Plan (not including those who became participants in the 1977 Plan prior to January 1, 2008) is reemployed by Augusta-Richmond County as an Eligible Regular Employee after October 1, 2007, he will be governed by the terms of the new GMEBS Plan applicable to Class 9 Employees. His service with Augusta-Richmond County prior to his reemployment date will not be taken into account for any purpose (vesting, benefit eligibility, or benefit computation) under the terms of this Plan, except as otherwise permitted in Section 7.27 below (concerning service credit purchases).

7.25 Classes 1-4; No Credit for Service Prior to Original Effective Date of GMEBS Plan

With respect to Participants in Classes 1, 2, 3, and 4, Credited Service does not include Service with Augusta prior to March 1, 1987 (the original effective date of the GMEBS Plan), except to the extent that credit for such service is purchased in accordance with and subject to Section 7.27 below (concerning service credit purchases). However, Service by such Participants prior to March 1, 1987 will be taken into account in determining whether the Participant has met the minimum service requirements for vesting and benefit eligibility under this Plan. This provision will apply regardless of the Participant's reemployment after January 1, 2008.

7.26 Class 8 Employees; No Credit for Service Prior to January 1, 2008

With respect to Class 8 Employees as described in the Adoption Agreement (p. 7), Service prior to January 1, 2008 will not be taken into account for any purpose under this Plan, except to the extent that credit for such Service is purchased in accordance with and subject to Section 7.27 below (concerning service credit purchases).

7.27 Prior Service Credit Purchase

7.27 (a) Purchase of Credit for Prior Service Not Creditable Under Any Plan; Generally. Subject to the terms and conditions specified in this Section 7.27, Participants in this Plan who are actively employed on or after January 1, 2008 may purchase credit under this Plan for any period of prior full-time service with Augusta-Richmond County (as defined in the Augusta personnel policies and procedures), provided the Service is not otherwise creditable under this Plan or any other Augusta retirement plan (i.e., the Participant has not received and has no potential to receive a retirement benefit or distribution under any Augusta retirement plan, including the GMEBS Plan, that is attributable to such service or attributable to employer contributions made during such service), and provided the other requirements of this Section 7.27 are satisfied. The purchase of prior service credit is permitted but not required under this Plan. Participants may purchase all of their prior service that is eligible for purchase, or only a portion of such service on a pro rata basis. Such purchases will be allowed to the extent permitted by law, subject to any conditions,

proofs, or acceptance that the Augusta Human Resources Director and GMEBS deem appropriate. Service credit purchased hereunder will be counted as Credited Service for purposes of computing the amount of benefits payable and meeting the minimum service requirements for vesting and benefit eligibility, except as otherwise provided in this Section or Section 7.34 below (concerning withdrawal of contributions).

7.27(b) <u>Application to Purchase Service Credit.</u> A Participant who wishes to purchase prior service credit may apply for such purchase by completing and submitting to the Human Resources Director an application form provided for such purpose. Participants will be responsible for providing the Human Resources Director with any information or documentation that the Human Resources Director deems necessary to establish that the Participant's service is eligible for purchase under Section 7.27(a) above.

7.27(c) <u>Annual Window Period for Application: July 1 – August 31</u>. In order to purchase service credit, Participants must submit the application referred to in Section 7.27(b) above within the two-month period beginning July 1 and ending August 31. If a Participant fails to submit a completed application to purchase service credit within the designated window period, the Participant will not be permitted to purchase service credit until the next year's window period for application. Participants may not apply to purchase service credit after termination of employment.

7.27(d) <u>Human Resources Director's Confirmation of Service Eligible for Purchase</u>. The Human Resources Director will certify on the Participant's application to purchase service credit the number of years and months of prior full-time Service that are eligible for purchase under Section 7.27(a) above.

7.27(e) <u>Participant Must Pay Fee for Cost Study.</u> In connection with their application to purchase service credit, Participants may be required to pay a fee (to be set by Augusta-Richmond County) for completion of the cost study to determine the cost to purchase the Participant's eligible prior service credit. This fee must be submitted with the Participant's application before the end of the annual window period referred to in Section 7.27(c) above.

7.27(f) <u>Actuarial Study to Determine Cost of Purchase.</u>
If the Participant's application to purchase prior service credit (and the cost study fee) are submitted within the two-month window period for application, and if the Participant's application to purchase is approved by the Human Resources Director, a cost study will be undertaken as soon as reasonably practicable after the close of the application window period to determine the actuarial cost relating to the Participant's prior service that is eligible for purchase.

7.27(g) <u>Lump Sum Payment Required Within 120 Days After Receipt of Cost Study Results</u>. Upon completion of the cost study, the Human Resources Director will notify the Participant of the lump sum amount required to purchase prior service credit, as reflected in the cost study. Within 120 days after receipt of said notice, the Participant shall remit said lump sum amount in the form and manner required by Sections 7.27(h)-(j), the Human Resources Director, and GMEBS. The Participant may remit less than the full lump amount necessary to purchase all of the prior service credit which is eligible for

purchase, in which case the percentage of service credit awarded will be equal to the percentage of the full amount remitted. The Human Resources Director shall have the authority to extend the 120-day time period for payment of lump sum amounts required to purchase service credit if, for reasons outside the control of the Participant, payment cannot be made within the 120-day period. However, the time limit for payment will not be extended any later than the start of the next annual two-month window period for application (see Section 7.27(c) above).

7.27(h) <u>Method of Payment</u>. To the extent permitted by the Internal Revenue Code and regulations issued thereunder, the lump sum amount referred to in Section 7.27(g) above may be paid via one or more of the following sources: (1) a direct trustee-to-trustee transfer from a 401(a) qualified retirement plan, governmental 457(b) deferred compensation plan or a 403(b) tax sheltered annuity; (2) a qualified rollover from a governmental 457(b) plan, 401(a) qualified plan, 403(a) annuity plan, or a 408(a)(b) individual retirement account or annuity (traditional IRA); or (3) a lump sum contribution of after-tax funds. Participants shall be solely responsible for effecting the payment referred to herein. Participants will not be permitted to purchase credit via payroll deduction.

7.27(i) <u>Limitation on Amount of Lump Sum Payment.</u> If the lump sum amount referred to in Section 7.27(g) is paid via any method other than as described under Section 7.27(h)(1) or 7.27(h)(2) above, then the Participant shall not be permitted to contribute to the plan in any calendar year an amount which exceeds any applicable limit specified in Internal Revenue Code Section 415.

7.27(j) <u>IRC 415, Other Limitations</u>. Notwithstanding any other provision of the Adoption Agreement or this Addendum to the contrary, the Plan will not accept and shall return without interest any contribution (or portion of a contribution) made to purchase service credit if such contribution would result in a violation of the applicable limitations established under Internal Revenue Code §415(b), (c), or (n) or any other provision of law or the Plan, or if it is later determined that the Participant's prior service is not eligible for purchase, and any prior service credit attributable to said contribution or portion of a contribution will be forfeited.

7.27(k) <u>Return of Contributions.</u> Contributions made to purchase prior service credit shall be used to fund retirement and death benefits payable under the Plan relating to such credit. Contributions shall not otherwise be refundable to the Participant or any other person, except as otherwise provided in Section 7.34 (concerning withdrawal of contributions).

7.27(l) <u>Definition of Actuarial Cost</u>. The cost to purchase qualifying prior service credit shall be determined based upon the actuarial cost of said prior service credit. In applying the provisions of the Adoption Agreement and this Addendum concerning the purchase of prior service credit, and notwithstanding any provision of the Adoption Agreement to the contrary, the term "actuarial cost of prior service credit" means the present value of projected additional benefits relating to such prior service credit, as determined based on factors supplied by the GMEBS actuary and calculated using the actuarial assumptions and methods employed in performing the Employer's annual plan valuation.

7.27(m) Additional Payment for Future Benefit Enhancements. Following adoption by Augusta-Richmond County of a future benefit enhancement, Participants who have previously purchased credit for prior service and who wish to be covered by any such future benefit enhancement under the Plan may be required by Augusta-Richmond County to pay an additional amount equal to the additional actuarial cost attributable to the benefit enhancement (e.g., an increase in the benefit formula) as applied to service credit which has previously been purchased by the Participant. If such additional amount necessary to fund future benefit enhancements is not paid by the Participant within 120 days after the Participant receives notice of the required payment from Augusta-Richmond County and prior to termination of employment, the benefit enhancement will not apply with respect to any period of service credit previously purchased by the Participant.

7.28 Disability Retirement Benefits. Disability retirement benefits under this Plan shall be administered in accordance with the provisions of the GMEBS Master Plan, except as otherwise provided in this Section or Section 7.29 below (concerning disability benefits for Class 6 Participants). If a Participant (other than a Class 6 Participant) is not disabled in accordance with the GMEBS Master Plan Article II, Section 19(a) definition solely because he lacks the quarters of Social Security coverage required to receive disability insurance benefits under the Federal Social Security Act, as amended, Disability shall mean a physical or mental disability of a Participant if the Pension Committee shall determine that he is permanently incapacitated on the basis of a certificate signed by a physician selected and engaged by the Participant, stating that: (1) such Participant is permanently and totally physically or mentally disabled by anatomical, physiological, or psychological abnormalities that are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, so as to be prevented from engaging in any occupation or employment whatsoever for remuneration or profit; (2) such disability commenced on a specified date during the period of the Participant's employment with Augusta, Georgia; (3) such disability will be permanent and continuous during the remainder of the Participant's life; and (4) such disability was not self-inflicted, incurred in military service, incurred in the commission of a felonious enterprise, or the result of the use of narcotics or drugs or habitual use of alcohol. The Pension Committee shall have the right to require the Participant who applies for Disability Retirement or who is receiving Disability Retirement benefits to be examined by a physician chosen by the Pension Committee to confirm the Participant's initial disability or continuation of disability. Should the physician chosen by the Pension Committee not confirm the Participant's initial disability or continuation of disability, then such physician and the physician selected by the Participant shall select a third physician by mutual agreement, who shall determine finally and unalterably whether the Participant is disabled as defined herein.

7.29 Certain Old 1977 DB Plan Provisions Preserved for Class 6 Participants

7.29(a) Class 6 Interest on Employee Contributions. Notwithstanding any provision of this Plan to the contrary, for Class 6 Participants interest shall be credited on Employee Contributions from the January 1 next following the date of which such Contributions are made until the earlier of: (a) the date of termination of employment for any reason; and (b)

the Participant's Normal Retirement Date, with such interest compounded annually at the rate of 5% per annum.

7.29(b) Class 6 Early Retirement Factors. Notwithstanding any provision of this Plan to the contrary, for Class 6 Participants, the monthly Early Retirement benefit shall be computed in the same manner as the Normal Retirement benefit, but the benefit shall be reduced by 5/12% for each complete month by which the Early Retirement Date of a Participate precedes his Normal Retirement Date or Alternative Normal Retirement Date (age 65, or age 62 if the Participant has 25 years of Credited Service).

7.29(c) Class 6 Disability Retirement

7.29(c)(1) Employment-Connected Disability. A Class 6 Participant may retire with a Disability Retirement benefit under the Plan if he becomes totally and permanently disabled with a "Disability" as defined in GMEBS Master Plan Article II, Section 19 (based on Social Security disability determination, except where Participant has insufficient quarters of Social Security coverage) from a cause arising out of and in the course of employment, as determined by the Pension Committee. If Master Plan Article II, Section 19(b) applies (due to insufficient quarters of Social Security coverage) and the physician chosen by the Pension Committee does not confirm the Participant's disability, then such physician and the physician chosen by the Participant shall select a third physician by mutual agreement, who shall determine finally whether the Participant is disabled within the definition of GMEBS Master Plan Article II, Section 19(b). Payment of the Disability Retirement benefit to Class 6 Participants shall be governed by the following provisions of this Section 7.29(c), notwithstanding any other provision of the GMEBS Master Plan to the contrary.

7.29(c)(2) Class 6 Non-Admissible Causes of Disability. Notwithstanding anything in this Section 7.29(c) or the Master Plan to the contrary, a Class 6 Participant shall not be entitled to receive any Disability Retirement benefit if the Pension Committee determines that the Participant's disability is a result of any of the following: excessive and habitual use by the Participant of drugs or narcotics; injury or disease sustained by the Participant while willfully participating in acts of violence, riots, civil insurrections, or while committing a criminal offense; injury or disease sustained by the Participant while serving in any armed forces or as the result of warfare; injury or disease sustained by the Participant after his employment has terminated; injury or disease sustained by the Participant while working for anyone other than Augusta-Richmond County and directly attributable to such employment; or intentional, self-inflicted injury.

7.29(c)(3) Class 6 – Continuing Examination. Once each year after commencement of Disability Retirement benefits, the Pension Committee may require proof of the continued total and permanent disability of the Class 6 Participant. The decision of the Pension Committee on all such questions shall be final and binding.

7.29(c)(4) Class 6 - Amount of Employment-Connected Disability Retirement Benefit. The monthly retirement benefit payable to a Class 6 Participant on his Disability Retirement Date, if he is entitled to an employment-connected disability benefit under Section 7.29(c)(1) above, shall be 1/12 of fifty-percent (50%) of his Final Average Earnings

determined as of his Disability Retirement Date, reduced by any monthly payment received under worker's compensation law (as determined by the Human Resources Director and reported to GMEBS), or if worker's compensation is paid in a lump-sum payment, the monthly payments otherwise payable to the Participant under the Plan shall be reduced by an amount which equitably adjusts, as determined by the Human Resources Director, for the amount to which the Participant is eligible under worker's compensation.

7.29(c)(5) <u>Class 6 - Payment of Employment-Connected Disability Retirement Benefit</u>. The retirement benefit to which a Class 6 Participant is entitled in the event of Disability shall be payable on the first day of each month. The first payment shall be made on the Participant's Disability Retirement Date and the last payment shall be the payment due next preceding the earlier of (a) the Participant's date of death, or (b) the cessation of his Disability prior to his Normal Retirement Date. The Disability Retirement Date shall be the first day of the month which coincides with or next follows the date the Pension Committee approves payment of the disability benefit.

7.29(c)(6) <u>Class 6 - Termination of Disability Retirement Benefit</u>. If a Class 6 Participant's Disability ceases prior to his Normal Retirement Date and he does not become reemployed by Augusta-Richmond County within 60 days after his recovery, all rights of the Participant in and to a Disability Retirement benefit shall cease and he shall be entitled to: 1) an Early Retirement benefit, if he had satisfied the requirements for early retirement as of the date on inception of his Total and Permanent Disability, or 2) a Normal Retirement benefit, if he has satisfied the requirements for Normal Retirement. Either such benefit shall be based on his Credited Service and Final Average Earnings as of the date of inception of the Participant's Disability. If the Participant's Disability ceases, his employment will be deemed to have been continuous, provided that the period beginning with the first month for which he received a disability payment and ending with the date of reemployment will not be considered as Credited Service for purposes of the Plan.

7.29(c)(7) <u>Class 6 Non-Employment Connected Disability; 5 Year Eligibility Requirement</u>. If a Class 6 Participant becomes Disabled from a cause: (1) not arising out of and in the course of his employment and (2) other than specified in Section 7.29(c)(2) above (concerning non-admissible causes of disability) after the completion of five (5) or more years of Credited Service, he shall be entitled to a Disability Retirement benefit in accordance with Sections 7.29(c)(8)-(10) below.

7.29(c)(8) <u>Class 6 Retirement Date, Proof of Non-Employment Connected Disability</u>. The Disability Retirement Date of a Participant shall be the date defined in Section 7.29(c)(5) above. Proof of Disability shall be the same as that required in Sections 7.29(c)(1)-(3) above.

7.29(c)(9) <u>Class 6 Amount of Non-Employment Connected Disability Benefit; Accrued Benefit</u>. In the case of a non-employment connected Disability, the monthly retirement benefit payable to a Participant on his Disability Retirement Date shall be an amount equal to 1/12 of 1% of his Final Average Earnings multiplied by his Credited Service up to his Disability Retirement Date, reduced by any monthly payment received under worker's compensation law (as determined by the Human Resources Director and reported to GMEBS), or if worker's compensation is paid in a lump-sum payment, the monthly

payments otherwise payable to the Participant under the Plan shall be reduced by an amount which equitably adjusts, as determined by the Human Resources Director, for the amount to which the Participant is eligible under worker's compensation.

7.29(c)(10) <u>Class 6 Payment of Non-Employment Connected Disability Benefit; Termination of Benefits.</u> The provisions of Sections 7.29(c)(5) and 7.29(c)(6) above concerning payment and termination of Disability Retirement Benefits shall also apply to Class 6 Participants who are receiving non-employment connected Disability Retirement benefits.

7.29(d) <u>Class 6 Pre-Retirement Death Benefits (In-Service Death Benefits Only; No Terminated Vested Death Benefit)</u>

7.29(d)(1) <u>Class 6 Duty-Connected Death; 25% of Final Average Earnings Payable to Spouse/Minor Children.</u> If the employment of a Class 6 Participant is terminated by reason of his death while actively performing the prescribed duties of his job and not resulting from any misconduct or willful negligence of the Participant, as determined by the Pension Committee, the surviving Spouse as defined in GMEBS Master Plan Article II, Section 56 (if any) of such deceased Participant will receive a monthly benefit equal to 1/12 of twenty-five (25%) of the Participant's Final Average Earnings as of the date of death. Such benefit will commence on the first day of the month following the last payment of: any monthly benefits provided under state worker's compensation law (as determined by the Human Resources Director and reported to GMEBS) or if worker's compensation benefits are paid in lump-sum amount, the last monthly payment which would otherwise be payable if such lump-sum payment is equitably adjusted on the basis of the monthly amount to which the Participant would be entitled under state worker's compensation law, as determined by the Human Resources Director and reported to GMEBS. The monthly benefit shall be payable until the Spouse of the deceased Participant dies or remarries; provided however, that in the event of the Spouse's death while a Minor Child or Minor Children (as defined in GMEBS Master Plan Article II, Section 9, except that the age of majority shall be 18) of the deceased Participant survive, the monthly benefit otherwise payable to the Spouse shall continue for the benefit of such Minor Child or Children, in equal monthly shares, until the earlier of marriage, death, or attainment of age 18 as to each child. If the Class 6 Participant does not leave a surviving Spouse but leaves a surviving Minor Child or Minor Children, the legal guardian of such child(ren) shall receive on their behalf the benefit that would have otherwise been payable to the Spouse, divided into equal monthly shares for the surviving Minor Child(ren), and payable until the earlier of marriage, death, or attainment of age 18 as to each child. If no Spouse or Minor Child(ren) survive the deceased Participant, a lump-sum cash amount equal to the total amount of the Participant's employee contributions with interest shall be paid to the Participant's Pre-Retirement Beneficiary as determined under the GMEBS Master Plan, or if there is no Pre-Retirement Beneficiary, to the Participant's estate.

7.29(d)(2) <u>Class 6 Non-Duty Connected Death (Return of Contributions Only)</u>. If the employment of a Class 6 Participant is terminated by reason of his death prior to his Normal Retirement Date and such death was not the result of the Participant actively performing the prescribed duties of his job, as determined by the Pension Committee, there shall be payable to his surviving Spouse (as defined in GMEBS Master Plan Article II,

Section 56) or, if no Spouse survives the Participant, then to his Pre-Retirement Beneficiary (as determined under the GMEBS Master Plan), a lump-sum cash amount equal to the total amount of the Participant's employee contributions with interest. If there is no surviving Spouse or Pre-Retirement Beneficiary, said amount will be paid to the Participant's estate.

7.29(e) Grandfathered 415 Limit for Class 6 and Class 5. In accordance with Internal Revenue Code Section 415(b)(10), notwithstanding any provision of the Master Plan to the contrary, with respect to Class 5 and Class 6 Participants who became participants in the 1977 DB Plan before January 1, 1990, the maximum annual benefit payable in accordance with the IRC 415 benefit limitations contained in the Master Plan shall not be less than such Participant's Accrued Benefit under this Plan (as determined without regard to any plan amendment made after October 14, 1987).

7.29(f) Vesting for Class 6 and Class 5 Department Heads. A Class 5 or Class 6 Participant who was appointed a department head by Richmond County prior to January 1, 2008 shall be 100% vested, notwithstanding the 5-year vesting requirement otherwise applicable under the Plan.

7.30 Definition of Earnings for Purposes of Determining Employee Contributions and Benefits. For purposes of administering the Plan, "Earnings" shall be as defined in GMEBS Master Plan Article II, Section 22, but shall not include compensation for reimbursed expenses, severance pay, or lump sum vacation pay.

7.31 Benefits Payable As of 1st of the Month for the Month. Notwithstanding any provision of the GMEBS Master Plan to the contrary, retirement benefits (including Normal Retirement, Early Retirement, and Disability Retirement Benefits) and death benefits shall be payable on the first day of the month for the month (rather than the last day).

7.32 COLA Applied as of February 1. Notwithstanding any provision of the GMEBS Master Plan to the contrary, the annual cost-of-living adjustment provided for in the Adoption Agreement will be applied as of February 1 each year (with February payment). The cost-of-living adjustment will otherwise be determined in accordance with the GMEBS Master Plan and the COLA provisions of the Adoption Agreement.

7.33 Interest on Employee Contributions. Except as otherwise provided in the Adoption Agreement and this Addendum with respect to Participants in Classes 2, 4, and 6, employee contributions shall be credited with interest at the rate of 5% per annum, compounded annually.

7.34 Effect of Withdrawal of Employee Contributions. If a Participant terminates Service with Augusta after January 1, 2008 and he withdraws or receives a refund of his employee contributions to this Plan following said termination (including employer and employee contributions transferred to this Plan from the DC plan, any employee contributions made to the 1977 Plan, any employee contributions made under the old or new GMEBS Plan, and/or any contributions made to purchase prior service credit), then the Participant will forfeit for himself, his heirs and assigns all of his rights, title, and interest in the Plan in accordance with Master Plan Article XIII, Section 3, except as otherwise provided in this

Section with respect to repayment in the event of reemployment. A partial withdrawal or refund of employee contributions is not permitted. A Participant may not withdraw his employee contributions as long as he remains in Service and he may not borrow against his employee contributions at any time. Notwithstanding any provision of the Master Plan to the contrary, if a Participant withdraws his employee contributions after January 1, 2008, and if he later returns to Service with Augusta as an Eligible Employee, then any service credit or benefit amount forfeited by virtue of the withdrawal or refund may be reinstated, provided that within six (6) months after his reemployment date (or prior to his termination date following reemployment, if earlier), he repays to this Plan in a lump sum any and all amounts previously withdrawn or refunded, plus interest calculated at the rate of 8% per annum. Partial repayment is not permitted. In no event will the time the Participant was absent be taken into account in calculating the amount of any benefit payable under this Plan. Said Participants will also be required to satisfy the break in service requirements of Article IV, Section 6 of the Master Plan, if applicable.

7.35 <u>Public Safety Retirement by Age 70</u>. Public Safety Personnel (as defined on p. 6 of the Adoption Agreement) shall not delay their Retirement beyond age seventy (70).

7.36 <u>Treatment of Classes for Whom Participation is Optional</u>

7.36(a) <u>Initially Employed After October 1, 2007.</u> This provision applies only with respect to the classes for whom participation is optional (see Adoption Agreement pp. 9-10). If an Eligible Employee is initially employed or initially takes office with Augusta-Richmond County (with no prior service for Augusta-Richmond County) as an elected or appointed member of the Governing Authority (member of the Board of Commissioners of Augusta-Richmond County), Administrator, Assistant Administrator, Department Director, Assistant Department Director, or Law Department General Counsel or Law Department staff attorney after October 1, 2007, he must make an irrevocable election whether to participate in this Plan or the DC Plan, (as amended and restated effective January 1, 2008 and subject to any future amendments) in accordance with the 30-day election time limit and other procedures referred to on p. 9 of the Adoption Agreement. If he fails or refuses to make an election within the 30-day time limit, it will be deemed an irrevocable election to participate in this Plan (not the DC Plan). If the Employee is initially employed between October 1, 2007 and January 1, 2008 and he elects (affirmatively or by default) to participate in this Plan rather than the DC Plan, the provisions of Addendum Section 7.16 (concerning commencement of employee contributions and credit for service prior to January 1, 2008) will apply. If he elects (affirmatively or by default) to participate in this Plan rather than the DC Plan, then in the event he terminates or leaves office and later returns to Service with Augusta-Richmond County as an Eligible Employee, he will be required to participate in this Plan upon reemployment, and will be subject to the break in service provisions (if applicable) and other applicable provisions of this Plan concerning reemployment. If he elects to participate in the DC Plan (rather than this Plan) as provided in the Adoption Agreement, then in the event he terminates or leaves office and later returns to Service with Augusta-Richmond County as an Eligible Employee, he will not be able to make a plan election upon his reemployment and he will be required to participate in this Plan, notwithstanding his prior election to participate in the DC Plan. In such case, he will not receive any credit under this Plan with respect to Service with Augusta-

Richmond County prior to said reemployment date for any purpose (vesting, benefit eligibility, or benefit computation), except as otherwise permitted under Addendum Section 7.27 above (concerning service credit purchases).

7.36(b) Employed as of October 1, 2007; Return to Service After Election

Elected or appointed members of the Governing Authority, the Administrator, Assistant Administrators, Department Directors, Assistant Department Directors, Law Department General Counsel and Law Department staff attorneys who are employed or in office as of October 1, 2007 will be bound by their plan election made (affirmatively or by default) in accordance with and subject to Addendum Sections 7.11-7.15 (unless they are a member of Class 8 in which case participation under the new GMEBS Plan will be mandatory). However, in the event they terminate or leave office after January 1, 2008 and later return to Service with Augusta-Richmond County as an Eligible Employee, they will not be permitted to make a plan election upon return to Service and will be required to participate under the terms of the new GMEBS Plan applicable to Class 9 Employees, notwithstanding any prior election, in the same manner and subject to the same conditions as other Employees who have made an election (affirmatively or by default) during the election period referred to in Section 7.11 (see Addendum Section 7.19, 7.21, or 7.23 as applicable).

7.36(c) Reemployed After October 1, 2007; No Election Opportunity

Subject to any applicable election limitations under the Internal Revenue Code, if a former Employee who is not employed as of October 1, 2007 (not including those who have had an election opportunity (See Addendum Sections 7.11, 7.36(a) and 7.36(b) above)) returns to Service with Augusta-Richmond County after October 1, 2007 as an Eligible Employee and as an elected or appointed member of the Governing Authority, Administrator, Assistant Administrator, Department Director, Assistant Department Director, Law Department General Counsel or Law Department staff attorney, he must make an irrevocable election within the 30-day election period referred to on p. 9 of the Adoption Agreement to participate in accordance with and subject to either: 1) the terms of the new GMEBS DB Plan applicable to Class 9; or 2) the DC Plan as amended and restated effective January 1, 2008, subject to any future plan amendments. Said returning Employees who last participated under the 1977 DB Plan may elect to participate under the terms of the new GMEBS DB Plan applicable to Class 6, or the terms of the new GMEBS DB Plan applicable to Class 9, or the DC Plan). If the Employee fails or refuses to make an election within the 30-day time limit, it will be deemed an irrevocable election to participate under the terms of the new GMEBS DB Plan applicable to Class 9. If the Employee elects (affirmatively or by default) to participate in the new GMEBS DB Plan, he will not receive any credit under this Plan with respect to Service with Augusta-Richmond County prior to said return to Service for any purpose (vesting, benefit eligibility, or benefit computation), except as otherwise permitted under Section 7.27 above (concerning service credit purchases). However, the provisions of Addendum Section 7.20 concerning the effect of prior withdrawal or refund of employee contributions shall apply to returning former 1977 DB Plan participants who participate in the new GMEBS DB Plan upon return to Service. The provisions of Addendum Section 7.22 concerning the effect of withdrawal or refund of employee contributions shall apply to returning former GMEBS Plan participants who participate in the new GMEBS DB Plan with respect to employee contributions withdrawn before said return. In the event the Employee terminates or leaves office after making said

election, and he later returns to Service with Augusta-Richmond County as an Eligible Employee, he will not be able to make a plan election upon his reemployment and he will be required to participate under the terms of the new GMEBS Plan applicable to Class 9 Employees, notwithstanding any prior election. He will not receive any credit under this Plan with respect to Service while a participant under the DC Plan prior to said reemployment date for any purpose (vesting, benefit eligibility, or benefit computation), except as otherwise permitted under Section 7.27 above (concerning service credit purchases) and the provisions of Section 7.34 (concerning the effect of withdrawal of employee contributions) will apply with respect to those who have previously elected to participate in the new GMEBS DB Plan.

7.37 <u>Treatment of Tax Commissioner's Office Employees</u>. Employees initially employed or rehired after October 1, 2007 as employees of the Augusta-Richmond County Tax Commissioner's office will be eligible to participate in this Plan only if they are considered "Regular Employees" as defined in the Augusta-Richmond County Personnel Policies, and only if they meet the GMEBS Master Plan definition of "Employee" and this Plan's definition of "Eligible Employee." If the Employee satisfies these requirements, participation in this Plan will be mandatory and the Employee will commence participation in this Plan after he satisfies the 30-day waiting period in accordance with Section 7.17 above. However, if the Employee elects to participate in the Employees Retirement System of Georgia (ERS) within the 180-day time limit (or other prescribed time limit) for said election, then the Employee's participation in this Plan will be terminated retroactively to the date that participation commenced, and any contributions the Employee made to this Plan will be refunded. Augusta will notify GMEBS if an Employee of the Tax Commissioner's Office elects to participate in the ERS plan as soon as reasonably practicable after the Employee makes such election. Former Employees of the Augusta-Richmond County Tax Commissioner's office who are rehired after October 1, 2007 into a department other than Augusta-Richmond County Tax Commissioner's office shall be governed by the terms of the new GMEBS DB Plan applicable to Class 9 Employees.

7.38 <u>Plan Year Change for GMEBS Plan</u>. Notwithstanding the Plan Year election in the Adoption Agreement, prior to January 1, 2008, the Plan Year for the Employer's GMEBS defined benefit plan was (1) the twelve (12) month periods beginning each March 1 through the following February 29, ending with February 28, 2007; and (2) the short Plan Year starting on March 1, 2007 and ending on December 31, 2007.

7. 39 <u>IRC 401(a)(17) Limit Applied to Short Plan Year</u>. For purposes of applying the IRC 401(a)(17) limit on annual Earnings that can be taken into account under the GMEBS defined benefit Plan (the Plan), annual earnings means Earnings during the Plan Year or such other consecutive twelve (12) month period over which Earnings are otherwise determined under the Plan (the determination period). The 401(a)(17) cost-of-living adjustment for a calendar year applies to annual earnings for the determination period that begins with or within such a calendar year. For the short Plan Year applicable to the Plan, the annual earnings limit is an amount equal to the otherwise applicable earnings limit, multiplied by a fraction, the numerator of which is the number of months in the short Plan Year, and the denominator of which is twelve (12).

7.40 Amendment with Respect to 1977 DB Plan Provisions. Notwithstanding Master Plan Article XVIII, with respect to provisions of the Plan relating to the merged 1977 DB Plan, effective on an after January 1, 2008, the Employer shall have the right at any time to amend the Plan, subject to approval of such amendment by the GMEBS Board; provided, however, that no such amendment shall authorize or permit any part of the Trust Fund to be diverted to purposes other than the exclusive benefit of Participants and their beneficiaries; and further provided, that no amendment shall have the effect of revesting in the Employer an portion of the Trust Fund expect such amounts which remain in Fund after termination of the Plan and after all liabilities under the Plan have been satisfied.

7.41 Actions by Augusta-Richmond County to Facilitate Transfer. Augusta will make every reasonable effort to assure that its staff, contract professionals, and vendors cooperate with GMEBS to facilitate the transfer of assets and plan administration from the 1977 DB Plan and the 1998 DC Plan to GMEBS as of January 1, 2008. Augusta will provide GMEBS with records and information reasonably requested or necessary to facilitate the timely transfer of Plan administration and assets, including but not limited to the following information and records on active employees, terminated employees and beneficiaries: name, address, social security number, birth date, years and months of credited service as of January 1, 2008, accrued monthly normal retirement benefits, employee account balances (including earnings), beneficiary designation forms, retirement or death benefit applications, direct deposit forms, participant tax withholding forms, and 1099 tax reporting information for 2007. In particular with respect to terminated vested participants under the 1977 Plan (as of January 1, 2008), Augusta will provide a listing indicating the amount of each such terminated participant's accrued normal retirement benefit under the 1977 Plan, and their normal retirement eligibility date. Benefits will be paid to said terminated participants based upon said information (unless the participant returns to Service with Augusta after January 1, 2008). Augusta will also provide GMEBS with the information and documents included in the retirement plan conversion timeline by January 1, 2008, and it will complete any IRS filings that GMEBS reasonably requests in order to protect the 401(a)-qualified status of the GMEBS volume submitter plan or to confirm the 401(a)-qualified status of the new Augusta Adoption Agreement or Addendum.

7.42 Immediate Vesting for Senior Executive Service (SES) Participants; Additional Service Credit for SES Participants in Case of Reduction in Force.

7.42(a) Immediate Vesting for Senior Executive Service (SES) Participants – Notwithstanding any provision in the Adoption Agreement or this Addendum to the contrary, Participants in this Plan who hold a senior executive service position listed subsection 7.42(c) below on or after January 1, 2009 will be considered immediately vested in their accrued normal retirement benefit under this Plan, including any portion thereof that is attributable to non-SES Credited Service (see also AA p. 28). If an individual holds a SES position but is not a Participant in this Plan, this subsection shall not apply.

7.42(b) Additional Service Credit for Certain SES Participants - Notwithstanding any provision in the Adoption Agreement or this Addendum to the contrary and provided the requirements of this subsection 7.42(b) are satisfied, Participants in this Plan who are involuntarily terminated from employment with Augusta-Richmond County due to a layoff

or reduction in force on or after January 1, 2009 while holding a senior executive service (SES) position listed in subsection 7.42(c) below will be treated as having an additional five (5) years of Credited Service (in addition to their actual years of Credited Service) for purposes of computing the amount of any retirement or pre-retirement death benefit payable to or on behalf of the Participant under this Plan, and for purposes of meeting the minimum service requirements for retirement and pre-retirement death benefit eligibility under this Plan. In order to be eligible for the additional five (5) years of Credited Service under this subsection 7.42(b), the following requirements must also be satisfied: (1) The Participant's termination of employment must not be related to the Participant's conduct, as determined by the Human Resources Director; (2) the Participant must not return to employment with Augusta-Richmond County for at least one (1) year following termination of employment; (3) the Participant must execute any and all waivers and/or releases required by Augusta-Richmond County in connection with the layoff or reduction in force; and (4) the Human Resources Director must provide GMEBS with written certification of the Participant's eligibility for additional Credited Service under this subsection 7.42. If an individual is not a Participant in this Plan upon termination of employment, this subsection shall not apply.

7.42(c) Senior Executive Service (SES) Positions

POSITION	DEPARTMENT
Director	Information Technology
Director	Board of Elections
Director	Recreation-Administration
Director	Human Relations
Director	Daniel Field
Director	Animal Control
Director	Water & Sewer Administration
Director	Facilities Maintenance – General Government
Chief Appraiser	Tax Assessor
Director	Transit Operations
Director	Public Works – Solid Waste
Director	Public Works – Highways and Streets
Warden	Richmond County Correctional Institution
Director	Human Resources
Director	Procurement
Director	Building Inspections
Director	Emergency Telephone Response
Director	Community Development
Fire Chief	Fire Department
Director	Emergency Management Agency
Director	Airport-Bush Field
Deputy Administrator	Administrator
Administrator	Administrator
General Counsel	Law Department
Disadvantaged Business Enterprise Coordinator	Disadvantaged Business Enterprise
Equal Employment Opportunity Coordinator	Equal Employment Opportunity
Clerk of Commission	Clerk of Commission

(Amended April, 2009)

The Addendum to the Adoption Agreement previously approved by the Augusta-Richmond County Commission on December 18, 2007 is hereby repealed and shall be superseded by this amended Addendum. The terms of this amended Addendum to the Adoption Agreement are approved by the Augusta-Richmond County Commission this ________ day of _____________, 2009.

Attest: **AUGUSTA-RICHMOND COUNTY**

__________________________	**_____________________________________**
Clerk	**Mayor**

(SEAL)

Approved:

____
City-County Attorney

The terms of the foregoing Addendum are approved by the Board of Trustees of the Georgia Municipal Employees Benefit System.

IN WITNESS WHEREOF, the Board of Trustees of the Georgia Municipal Employees Benefit System has caused its Seal and the signatures of its duly authorized officers to be affixed this ______ day of ___________________________, 20____.

Board of Trustees
Georgia Municipal Employees
Benefit System

(SEAL)

____
Secretary

(Amended April, 2009)

SEGAL

THE SEGAL COMPANY
2018 Powers Ferry Road, Suite 850 Atlanta, GA 30339-5003
T 678.306.3100 F 678.306.3190 www.segalco.com

March 13, 2009

Mr. Randy Logan
Employee Benefits Counselor
Georgia Municipal Association
201 Pryor Street, SW
Atlanta, Georgia 30303

RE: Benefit Study for the City of Augusta

Dear Randy,

As requested, we have developed the impact on plan funding of a benefit improvement for the City of Augusta Retirement Plan to grant five years of additional service to all directors. This service would apply to benefit crediting, vesting and eligibility. We received a list of 17 directors, 12 of which were active in the census data as of November 1, 2008.

The data, financial information, assumptions, and plan provisions for the November 1, 2008 valuation were used to develop these results.

When determining the Recommended Contribution, the total level dollar amortization is adjusted, if necessary, to be within a corridor of the 10-year and the 30-year amortization of the unfunded/(surplus) actuarial accrued liability. The chart on the following page provides a summary of the impact that adding these changes would have on plan costs and the recommended contribution.

If you have any questions or need additional information please let us know.

Sincerely,

Leon F. (Rocky) Joyner, Jr., FCA, ASA, MAAA, EA
Vice President and Actuary

Jeanette R. Cooper
Jeanette R. Cooper, FSA, MAAA, EA
Consulting Actuary

7088322v1/07074.003

City of Augusta
Benefit Studies
Summary of Results

Current Recommended Contribution	Current Plan	Grant 5 years service to Directors
Recommended Contribution as of November 1, 2008	$2,909,068	$2,909,068
Covered Payroll	$60,618,181	$60,618,181
% of Covered Payroll	4.80%	4.80%
Impact of Benefit Improvement		
Cost of Benefit Improvement	--	$43,019
% of Covered Payroll	--	0.07%
Total Plan Cost of Benefit Improvement		
$ Amount (Recommended Contribution + Cost of Benefit Improvement)	--	$2,952,087
% of Covered Payroll	--	4.87%
Funding Elements		
Normal Cost with Expenses	$1,315,120	$1,318,637
Actuarial Value of Assets	$48,945,634	$48,945,634
Actuarial Accrued Liability	$64,678,455	$65,079,766
Unfunded Actuarial Accrued Liability	$15,732,821	$16,134,132
Funded Ratio	75.68%	75.21%

Administrative Services Committee Meeting
4/29/2009 12:40 PM
Homelessness Prevention & Rapid Re-Housing Funds

Department:	Housing & Community Development Department
Caption:	Approve the attached Proposed Homelessness Prevention and Rapid Re-Housing Projects and on behalf of the City, authorize the Housing and Community Development (HCD) Department to amend the City's 2008 Action Plan and submit an application for $927,319 in Homelessness Prevention and Rapid Re-Housing Program (HPRP) Funds to HUD.
Background:	On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009. Under this Act, a new program was developed known as "Homelessness Prevention and Rapid Re-Housing Program" (HPRP). As a result, the City will receive $927,319 in HPRP funds to be used for projects that benefit homeless persons and persons at-risk of being homeless to prevent homelessness. Eligible uses of the funds include: Short-term and Medium-term Financial assistance to include payment of rent, utilities, security and utility deposits, moving costs, motel/hotel vouches; Housing Relocation & Stabilization & Rapid Re-Housing to include case management, mediation services, outreach, credit repair services and legal services' Data Collection on the Homeless & Evaluation; and Administrative costs for administering the grant. The HPRP grant is a three-year grant that commences October 1, 2009 and expires September 30, 2012. All funds must be obligated by September 30, 2009, with 60% of the funds having to be expended in two-years and 100% expended by September 30, 2012. The deadline for submission of the application by the City to HUD is May 18, 2009. On March 30, 2009, the Housing and Community Development (HCD) Department staff conducted a public hearing and started soliciting proposals for projects to fund. As a result of the application process, 14 applications were received totaling $3,029,325.55. Staff is proposing that the attached listing of projects be considered for HPRP funds. (Attachment #1) To apply for the HPRP funds, the City must amend its 2008 Action Plan and allow citizen 12 days to comment on the proposed amendment which outlines the uses of the HPRP funds. In order to meet HUD's application deadline of May 18, 2009, and have the 12-day citizen's comment period, HCD had to publish the amendment, along with the proposed projects in the Augusta Chronicle April 13 and the Metro Courier April 14, 2009. The 12-day comment period is April 13 through April 24, 2009. If any citizen's comments are received, they will be presented to the Administrative Services Committee today (April 29) for consideration. The Committee can consider the comments or accept the comments as information. If Committee approves the proposed projects, they should be presented to the Commission on May 5, 2009, for final approval.

Cover Memo

Item # 4

Analysis:	This is the first time the City has received this large sum of funds for the

	homeless. The City has the option of applying for the full amount, which is $927,319 or a lesser amount. This is a 3-year grant and it is crucial that the funds be expended by September 30, 2012 or HUD, not the City, will recapture the funds.
Financial Impact:	These additional funds will allow the City to serve more homeless households and prevent other persons from becoming homeless.
Alternatives:	None recommended.
Recommendation:	Approve funding in the amount of $927,319 for the attached HPRP projects, Authorize HCD to Amend the City's 2008 Action Plan and Authorize Submission of the Application to HUD by approval of the attached Resolution.
Funds are Available in the Following Accounts:	Application for HPRP funds from HUD.

REVIEWED AND APPROVED BY:

Finance.
Law.
Administrator.
Clerk of Commission

RESOLUTION

AUTHORIZING SUBMISSION OF AN APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR $927,319 IN HOMELESSNESS PREVENTION AND RAPID RE-HOUSING FUNDS AND GRANTING THE MAYOR THE AUTHORITY TO GIVE ASSURANCES AND CERTIFICATIONS AS REQUIRED BY THE SECRETARY OF THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND GRANTING THE AUTHORITY TO EXECUTE THE GRANT AGREEMENT FOR PROJECTS AS APPROVED.

WHEREAS, Augusta-Richmond County has availed itself of the provisions of the American Recovery and Reinvestment Act of 2009; and

WHEREAS, it is necessary to amend the City's 2008 Action Plan as a prerequisite to receiving Homelessness Prevention and Rapid Re-Housing Program funds after a public hearing has been held and projects suggested by citizens and organizations have been given careful and serious consideration; and

WHEREAS, in order to expedite the orderly execution of the assurances, certifications and Grant Agreement, the Mayor is hereby given authority to provide such assurances, certifications and execute the Grant Agreement as required by the Secretary; and

WHEREAS, in order to expedite the federal Homelessness Prevention and Rapid Re-Housing Program (HPRP), the Housing and Community Development Department is given the authority to carry out the program as approved by the Augusta-Richmond County Commission; and

NOW, THEREFORE, BE IT RESOLVED: That the Mayor and the Housing and Community Development Department be authorized to amend the 2008 Action Plan, prepare and submit the HPRP application, thereto as well as provide the required assurances, certifications, and execution of the Grant Agreement; and

BE IT FURTHER RESOLVED: That the Housing and Community Development Department be authorized to carry out the orderly execution of the Homelessness Prevention and Rapid Re-Housing Program as approved by the Augusta-Richmond County Commission in compliance with all applicable law, rules, and regulations.

ATTEST: AUGUSTA, GEORGIA

BY: ________________________________
David S. Copenhaver
Mayor

____
Lena J. Bonner
Clerk of Commission

CERTIFICATION

I, Lena J. Bonner, Clerk of Commission, hereby certify that the above is a true and correct copy of a Resolution as adopted by said AUGUSTA-RICHMOND COUNTY COMMISSION in meeting held on May 5, 2009.

S E A L

____
Lena J. Bonner
Clerk of Commission

Attachment #1: HPRP Proposed Projects (revised)

HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM
PROPOSED PROJECTS

Proposed Projects	Proposed Amount
Antioch Tutt House Homeless Prevention Program *Description: This is an existing program operating at 1308 Augusta Avenue. Two (2) part time jobs will be created: 1 Case Manager and 1 Intake Clerk will be hired to handle case loads. Funds to be used for short-term & medium-term rental assistance, utility payments, motel/hotel vouchers, credit repair, Homeless Management Information System (HMIS) staffing and training.*	$ 145,000
CSRA Economic Opportunity Authority *Description: This is an existing program operated at 730 East Boundary. Funds will be used for homeless prevention to include short-term and medium-term rental assistance, security deposits & 1st month rent, utility payments, utility deposits, moving costs, motel/hotel vouchers, Case Management, mediation services/outreach, housing search/placement, credit and repair. One full time job as Case Manager will be created and 1 full time job as Homeless Prevention Coordinator will be retained to provide support to Case Manager.*	$ 150,000
Coordinated Health Services "Samaritan Respite Center" *Description: This is an existing program operated at 2110 Broad Street. Agency provides medical care to homeless persons discharged from the hospital who need additional time to recover. Funds will be used to provide housing for clients being released from clinic. Use of funds include short-term and medium-term rental assistance, security deposits & 1st month's rent, utility payments & deposits, Case Management, mediation services/outreach, housing search/placement and legal services. One full time Case Manager will be hired.*	$ 53,000
East Augusta CDC "H.E.L.P." Program *Description: Agency operates the "Helping to Eliminate a Local Problem" Program at 1011 12th St. Funds will be used for homeless prevention and rapid re-housing to include short-term and medium-term rental assistance, security deposits & 1st month's rent, utility payments & deposits, moving costs, case management, housing search/placement/ credit repair, HMIS staffing and training. 1 part time Case Manager and 1 part time Intake Clerk will be hired to handle case loads.*	$ 145,000

Attachment #1: HPRP Proposed Projects(revised)

Proposed Projects	Proposed Amount
GA Legal Services *Description: Agency operates the "Homeless Prevention/Legal Advocacy Program at 209 7th Street. It provides legal services for persons at-risk of being homeless through eviction and assist clients in obtaining public benefits. Funds to be used for legal services to represent clients in court to prevention unlawful evictions.*	$ 45,000
Hope House *Description: Agency provides transitional housing for females recovering from substance abuse. Located at 1225 Carrier Place (off Highland Ave). Funds will be used to retain the position of Information Specialist. This person operates the HMIS system. Agencies receiving homeless funds are required to input data into HIMIS.*	$ 20,000
St. Stephen's Ministry of Augusta *Description: Agency provides supportive services and transitional housing for persons with HIV/AIDS to prevent homelessness. Funds to be used for short-term & medium-term rental assistance, security & utility deposits, utility payments, moving costs & motel/hotel vouchers.*	$ 60,000
Safe Homes *Description: Agency provides emergency shelter and supportive services for victims of domestic violence. Funds will be used for short-term and medium-term rental assistance, security deposits & 1st month's rent, rental assistance for last month rent, utility payments & deposits, moving costs, motel/hotel vouchers, case management, mediation services/outreach, housing search/placement, credit repair and HMIS staffing.* *6 jobs to be created: 1 FT Domestic Violence Advocate, 1 FT TANF Assessor/DV Advocate, 1 FT TANF/Rural Advocate, 1 FT senior Shelter Manager & 2 FT Shelter Co-Managers.*	$ 75,000
Salvation Army *Description: Agency provides emergency shelter to homeless men & women, food program, free residential drug/alcohol program, job training, clothing vouchers, bus tickets and food pantry. Located at 1384 Greene St. Funds will be used for homeless prevention & rapid re-housing to include short-term and medium-term rental assistance, security deposits & 1st month's rent, utility payments & deposits, moving costs, motel/hotel vouchers, case management, mediation services/outreach, housing search/placement and HMIS staffing. 2 jobs will be created: 1 FT Case Manager & 1 FT Assistant Program Manager.*	$ 160,000

Attachment #1: HPRP Proposed Projects(revised)

Proposed Projects	Proposed Amount
United Way *Description: Agency provides several programs for homeless which include Information/Referral Program, Outreach, Homeless Prevention, transportation and vouchers for Shelter Program. Located at 630 Ellis Street. Funds to be used for short-term and medium-term rental assistance, utility payments and case management. 1 FT job will be retained: Intake/Referral Specialist.*	$ 27,953
HPRP Administration *Description: Funds to be used by the Housing and Community Development Department to administer the Homelessness Prevention and Rapid Re-Housing Program.*	$ 46,366
TOTAL	$ 927,319

NOTE:

1. Case Managers are required in order to carry out this type of program. Each program participant must have a housing assessment done before funds can be paid on their behalf. Case management involves arrangement, coordination, monitoring and delivery of services related to meeting the housing needs of the program participants and helping them obtain housing stability.

2. Homeless Management Information System (HMIS) – This system is mandated by HUD for any agency receiving funds for the homeless.

Definitions:

Short-term Assistance – Assistance not to exceed 3 months.

Medium-term Assistance – Assistance from 4 months up to 18 months.

Administrative Services Committee Meeting
4/29/2009 12:40 PM
Reprogram of $878,108

Department: Housing & Community Development Department

Caption: Discussion of reprogramming of $878,108 in Community Development Block Grant (CDBG) and HOME Investment Partnerships Funds.

Background: On February 17, 2009, The American Recovery & Reinvestment Act was signed by President Obama and authorized additional Community Development Block Grant (CDBG) funds. As a result, the city is expected to receive an additional $606,372 in CDBG-Recovery funds. The purpose of the funds is to stimulate the economy quickly by creating jobs and economic opportunities. Projects selected should be projects that are “shovel-ready” and can start within 120 days after receipt of the funds. We have several existing CDBG projects we are proposing to fund from the CDBG-Recovery funds. Therefore, we need to release the existing CDBG project funds and reprogram to other projects. In addition, we are proposing to reprogram $300,000 in HOME Housing Counseling funds that we determined should be funded with CDBG funds. We are proposing that funds be reprogrammed FROM the following projects: 1. CDBG FY 2008 Dover/Lyman Commercial Development Acquisition - $200,000 - Justification: The initial purpose of the assistance was to purchase a small commercial shopping center off Deans Bridge Road. Because negotiation for purchase of the property failed, the funds need to be reprogrammed. 2. CDBG FY 2007 Antioch Laney-Walker Enterprise Initiative - $378,108 - Justification: Staff has determined that this project will be funded from CDBG-Recovery funds because it is ready to let for bid as soon as the funds are released. 3. HOME FY 2009 Housing Counseling - $300,000 - Justification: This project will be funded from existing CDBG funds. Projects that funds will be reprogrammed TO: 1. CDBG FY09 Housing Counseling Program $410,000 2. CDBG FY09 Demolition $100,000 3. CDBG FY09 Acquisition $ 68,108 3. HOME FY09 Model House $250,000 4. HOME FY09 Neighborhood Redevelopment Initiative $ 50,000 Total $878,108 This reprogramming of funds will be a substantial change to the City’s Consolidated Plan. In accordance with HUD requirements and the City’s Citizen Participation Policy, any substantial changes to the Consolidated Plan must be presented to the public for a 30-day comment period. If comments are received, they must be presented to the Commission for action. On May 6, 2009, a Public Notice will be published in the newspaper soliciting comments from the public. The deadline for comments will be June 16, 2009.

Analysis:	Reprogramming of these funds will allow the department to proceed with active projects and expend the funds in a timely manner.
Financial Impact:	This reprogramming of funds is a reallocation of existing funds.
Alternatives:	None recommended.
Recommendation:	Accept the Proposed Reprogramming of $878,108 in CDBG and HOME Funds as Information and Allow Staff to Solicit Public Comments for a 30-day period. After the 30-day comment period (June 5, 2009), staff will return and present to Commission for action the Proposed List of Reprogramming and any public comments received.
Funds are Available in the Following Accounts:	Existing CDBG & HOME funds.

REVIEWED AND APPROVED BY:

Finance.
Law.
Administrator.
Clerk of Commission

Attachment – Reprogram List/$878,108

CDBG & HOME Funds to be Reprogrammed - $878,108:

Administrative Services Committee – April 29, 2009
Commission – June 16, 2009

FROM:

Type Funds	Project Name	Amount (-) $'s
CDBG	*Dover Lyman Commercial Acquisition – FY08	- 200,000
CDBG	Antioch Laney-Walker Enterprise Initiative – FY07	-378,108
HOME	Housing Counseling Program – FY09	-300,000
	TOTAL	$878,108

TO:

Type Funds	Project Name	Amount (+) $'s
CDBG	Housing Counseling Program – FY09	+410,000
CDBG	Demolition	+100,000
CDBG	Acquisition	+ 68,108
HOME	Construction of Model House	+250,000
HOME	Neighborhood Redevelopment Initiative	+ 50,000
	TOTAL	$878,108

***Currently have $2,200,000 designated for Dover/Lyman Infrastructure**
(Public Works - $2,000,000; CDBG - $200,000)