COUNCIL BILL NO. 2015-542 ORDINANCE NO.

AN ORDINANCE amending the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri as adopted January 5, 2009, effective January 31, 2009, and amended September 24, 2012, May 1, 2013 and January 21, 2014, providing for certain changes to bring the Plan into conformity with current provisions of applicable law; and containing an emergency clause.

WHEREAS, the Policemen's and Firemen's Pension Plan was last amended on January 21, 2014 by Ordinance Number 2014-012 to provide for the purchase of disability insurance by the Pension Plan; and

WHEREAS, the Board of Trustees of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri submitted to the qualified Plan Participants the question as to whether certain amendments should be made to the Plan; and,

WHEREAS, of the 195 active and 119 retired Pension Policemen and Firemen, 118 voted in favor of the Plan amendments, and 2 voted against the proposed Plan amendments.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, as follows:

Section 1. That Section 1.14 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

1.14 CREDITED SERVICE

shall mean the total time in complete and fractional years (based on the number of complete months) during which the Employee is a Covered Employee and makes the contribution required in Section 6.1. Such service need not be continuous or uninterrupted.

Section 2. That Section 1.17 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

1.17 EMPLOYEE

shall mean any person who is employed by the City and classified by the City as an employee, but excludes any person who is an independent contractor. A person classified as an employee is an employee and no subsequent classification of such a person by the Internal Revenue Service or court shall have any affect on the individual's employment status for purposes of the Plan.

Section 3. That Section 1.19 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

1.19 NORMAL RETIREMENT AGE

shall mean the earliest of the following:

(A) Age 60; or

(B) Whichever of the following applies:

(1) For Participants hired on or before January 31, 2009, the completion of twenty (20) years of Credited Service.

(2) For Participants hired after January 31, 2009, the completion of twenty-five (25) years of Credited Service.

Retirement under this Section 1.19 shall be contingent on the Participant being continuously employed as a Covered Employee by the City for the twelve (12) months ending on the applicable retirement date.

Section 4. That Section 1.24 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

1.24 RESTATEMENT EFFECTIVE DATE

shall mean the date set forth in Article XI.

Section 5. That Section 2.3 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

2.3 TERMINATION OF ELIGIBILITY

In the event a Participant shall continue to be employed by the City, but not as a Covered Employee, such former Participant shall be entitled to a retirement benefit only if the requirements of Section III for receiving a retirement benefit have been satisfied.

Section 6. That Section 2.4(A) of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

(A) In the event a Participant terminates employment and is later reemployed as a Covered Employee, participation in the Plan shall begin immediately upon reemployment. If the Covered Employee had at least 20 years of Credited Service at the time of his termination of employment, upon his reemployment he may continue to accrue additional years of Credited Service, up to the maximum permitted by the Plan.

If the Covered Employee did not have at least 20 years of Credited Service at the time of his termination of employment, but is reemployed before incurring a Break-in-Service, then upon his reemployment his Credited Service earned prior

to termination of employment shall be taken into account for purposes of Section 3.1, provided that the Covered Employee repays to the Plan an amount equal to the amount paid to him by the Plan upon his termination of employment, plus interest at the rate of one-half of one percent (.5%) per month from the date of the Plan's payment to the date of repayment. Repayment shall be required within six (6) months of reemployment.

If the Covered Employee did not have at least 20 years of Credited Service at the time of his termination of employment, and either is reemployed after incurring a Break-in-Service, or does not repay the amount described in the preceding paragraph, then his Credited Service as of the date of his termination of employment shall not be taken into account for purposes of Section 3.1.

Section 7. That Section 2.4(B) of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

(B) Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Internal Revenue Code 414(u).

Accordingly, a Covered Employee is treated as having had continuous Credited Service for purposes of participation, vesting and accrual of benefits by reason of a period of absence from employment due to or necessitated by service in the uniformed services, provided the Covered Employee:

(1) is reemployed in a covered position within the time specified in regulations or other guidance under the Uniformed Services Employment and Reemployment Rights Act;

(2) repays any lump sum payment previously paid to the employee; and

(3) pays to the Plan an amount equal to the amount of any employee contributions that would have been made to the Plan if the employee had remained in Covered Employment.

If a Covered Employee dies while performing qualified military service, as defined in Section 414(u) of the Code, the Plan shall treat such Covered Employee as having died during covered employment, in accordance with the provisions of Section 401(a)(37) of the Code.

Section 8. That Section 3.7(B) of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

(B) The total annual benefit shall not exceed the amount specified in Section 415(b)(1)(A) of the Code ($210,000 for 2015), as such amount may be adjusted by the Secretary of the Treasury, pursuant to Section 415(d)(1) of the Code as of January 1 of the Plan Year in which the Participant's benefits become payable hereunder.

Section 9. That Section 3.9 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

3.9 FURTHER DISTRIBUTION REQUIREMENTS

Notwithstanding any provision of this Plan to the contrary, a Participant's monthly retirement income shall commence or otherwise be paid no later than the Participant's "required beginning date," and all amounts payable hereunder shall be paid in accordance with Code Section 401(a)(9), including the incidental death benefit requirement in Code Section 401(a)(9)(G), and Treasury Regulation Sections 1.401(a)(9)-1 through 1.401(a)(9)-9. A Participant's required beginning date is the first day of April of the calendar year following the later of the calendar year in which the Participant attains age seventy and one-half (70½) or retires. Monthly retirement income shall be paid over a period not longer than the lives (or, if applicable, the joint life expectancies) of the Participant and any designated Beneficiary. Solely for the purposes of this Section, if the designated Beneficiary is not the Spouse and is more than ten (10) years younger than the Participant, the joint life expectancy shall be calculated as though the age difference were ten (10) years. If the Participant dies before his annuity starting date, distribution of a survivor benefit shall commence no later than the date the Participant would have reached age seventy and one-half (70½). If a Participant dies after his annuity starting date but before his entire interest has been distributed to him, the remaining portion of such interest shall be distributed to his Spouse or Beneficiary at least as rapidly as under the method of distribution as of his date of death.

Section 10. That the heading for Section 5.3 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

5.3 DETERMINATION OF DISABILITY

Section 11. That Section 6.2 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended by deleting specific contribution requirements for prior years that are no longer applicable, so that Section 6.2 will read as follows:

6.2 EMPLOYER CONTRIBUTIONS

The City shall make biweekly contributions to the Plan equal to the City's contribution rate as calculated by the Plan's actuary.

For purposes of determining the City's contribution rate as calculated by the Plan actuary in this section, the Plan actuary shall utilize accepted actuarial methods and principles, consistent with actuarial assumptions approved by the Trustees. The Actuarial Valuation should be completed no later than 90 days after the Plan year end. The actuarial contribution rate for the City set forth in the Actuarial Valuation will be effective at the beginning of the following Plan Year immediately following completion of the Actuarial Valuation for the prior Plan

Year (e.g. the rate set forth in the Actuarial Valuation for the year ended October 31, 2015 will be effective for the Plan Year beginning November 1, 2016).

If the City becomes more than 30 days delinquent in any of its obligations, the City will be notified in writing by the trustees of the delinquency. The City shall catch-up fully on any delinquent obligations within 60 days after notification in writing by the trustees. If the City fails to catch-up fully within those 60 days, the City shall pay any past due obligation, plus interest at the statutory rate, per §408.020 RSMo., currently nine percent. If the City is delinquent 60 days after written notice of delinquency by the trustees, then the trustees may pursue any course of action deemed necessary and may pursue any and all remedies that the trustees may have, in law or equity, including suit in a court of competent jurisdiction.

Section 12. That Section 10.8 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is added to read as follows:

10.8 FORFEITURE OF BENEFITS

Notwithstanding anything to the contrary, any Participant who is found guilty of any felony described in the next sentence that is committed in direct connection with or directly related to the Participant's duties as an Employee shall not be eligible for any retirement benefits with respect to service performed on or after August 28, 2014, except that a Participant may request a refund of the Participant's contributions, if any, including earnings, as otherwise permitted in accordance with Section 3.11. A felony is described in this sentence if it is any of the following, or a substantially similar offense under federal law:

(A) The offense of felony stealing under RSMo Section 570.030 when such offense involved money, property, or services valued at five thousand dollars or more as determined by the court;

(B) The offense of felony receiving stolen property under RSMo Section 570.080 when such offense involved money, property, or services valued at five thousand dollars or more as determined by the court;

(C) The offense of forgery under RSMo Section 570.090;

(D) The offense of felony counterfeiting under RSMo Section 570.103;

(E) The offense of bribery of a public servant under RSMo Section 576.010; or

(F) The offense of acceding to corruption under RSMo Section 576.020.

Section 13. This Ordinance is declared by the City Council to be an emergency within this meaning of Section 2.12, subparagraphs (1) and (4), of the Home Rule Charter of the City of Joplin, Missouri, in that said Ordinance clarifies the threat to the tax-qualified status of the

Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri if this amendment is not adopted by February 1, 2016, which is the deadline imposed by the Internal Revenue Service for the adoption of the restatement of such Plan and as such shall become effective immediately upon its passage.

PASSED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, THIS _____ day of _____, 2015, by a _____ vote.

_____
Michael L. Seibert, Mayor

ATTEST:

_____
Barbara L. Hogelin, City Clerk

APPROVED AS TO FORM:

_____
Peter C. Edwards, City Attorney