CITY OF JOPLIN
COUNCIL AGENDA ITEM

ITEM
Council Bill 2019-537 – Amending Policemen's and Firemen's Pension Plan to close the plan to new hires effective February 1, 2020

MEETING DATE
December 2, 2019

ORIGINATING DEPT
Finance

ATTACHMENTS
CB 2019-537 Ordinance; Exhibit A-Restated Pension Plan; Proposed Plan Changes Summary

REVIEWED BY
Department Head: Leslie Haase; City Attorney: Peter Edwards; Interim City Manager: Dan Pekarek

SUMMARY
This Council Bill amends the Policemen's and Firemen's Pension Plan to close the plan to new hires effective February 1, 2020.

BACKGROUND
In late 2018, an internal work group began working on a recommendation to improve public safety recruiting and retention. The recommendation from the work group was as follows:

- Fund and close the pension plan to new hires
- Move new hires to the LAGERS retirement L-11 plan
- Allow Tier II employees the voluntary option to migrate to LAGERS

This plan required voter approval of a ½-cent sales tax dedicated for these purposes until the pension plan is either 120% funded or 12 years, whichever occurs first. Voters approved this tax on November 5, 2019. It is anticipated this tax will go into effect on April 1, 2020 with the first collections by the City in June.

The council bill amends the language in the Pension Plan to close the plan to new hires effective February 1, 2020. The following sections are being amended:

1. Section 1.13-Covered Employee
2. Section 1.14-Credited Service
3. Section 2.1-Eligibility
4. Section 2.2-Participation
5. Section 2.4-Reemployment of a Former Participant
6. Section 6.2-Employer Contributions

A summary of the plan changes is attached for your review. The Board of Trustees of the Pension Board submitted the amendments to the qualified participants and held an official election from July 15 to August 9, 2019. The membership voted 211 in favor and 5 against the proposed pension plan amendments.

Any change to the Policemen's and Firemen's Pension Plan must be approved by the membership through an election and ratified by the City Council in an ordinance.

FUNDING SOURCE
This item is not applicable for this council bill.

RECOMMENDATION
Staff recommends approval of this council bill on first reading.

JOPLIN POLICE & FIRE PENSION PLAN

SUMMARY OF PROPOSED PLAN CHANGES

1. Section 1.13-Covered Employee

   Proposed Sentence-shall mean an Employee who is employed in covered employment.

   Current Sentence-shall mean a person employed in covered employment and thereby eligible to participate in this Plan.

2. Section 1.14-Credited Service

   Proposed Sentence-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 a Participant and makes the contribution required in Section 6.1.

   Current Sentence- 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.

3. Section 2.1-Eligibility

   Proposed Sentence-Each Covered Employee whose employment or reemployment began prior to February 1, 2020 was eligible to become a Participant upon satisfaction of the requirements for employment in his or her position as stipulated by the City.

   Current Sentence- Each Covered Employee shall become a Participant in the Plan upon satisfaction of the requirements for employment in his or her position as stipulated by the City.

4. Section 2.2-Participation

   Proposed Sentences-Subject to Section 2.4, all Participants in the Plan on the Restatement Effective Date shall continue to be Participants. No other Employee shall become a Participant in the Plan.

   Current Sentences- All Participants in the Plan on the Restatement Effective Date shall continue to be Participants. Each other Employee shall automatically become a Participant in the Plan in accordance with Section 2.1. Each Participant whose employment has been terminated and later resumes employment, shall participate in the Plan in accordance with Section 2.4.

5. Section 2.4 Subsection A-Reemployment of Former Participant

   Proposed Sentence-In the event a Participant terminated employment and was later reemployed as a Covered Employee prior to February 1, 2020, participation in the Plan resumed immediately upon reemployment. If the Covered Employee

did not have at least 20 years of Credited Service at the time of his termination of employment, but was reemployed prior to February 1, 2020 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 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.

Current Sentence- 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 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 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.

6. Section 2.4 Subsection C-Reemployment of Former Participant

   Proposed Sentence-Notwithstanding anything to the contrary, if a Covered Employee terminated employment and his date of reemployment is on or after February 1, 2020, such Employee shall not be eligible to resume participation in the Plan upon reemployment.

   Current Sentence-Not Applicable

7. Section 6.2-Employer Contributions

   Proposed Section- The City shall make monthly contributions to the Plan equal to the net amount after reduction for the priorities described below from the one-half cent (½ ¢) general sales tax approved by voters in the November 2019 election, which will expire upon the earlier of 12 years after enactment, or the date that the Plan's actuary certifies that the Plan is 120% funded. The priorities referred to in the preceding sentence are the following:

   (A) the amount needed to contribute to the Missouri Local Government Employees Retirement System ("LAGERS") $1,000,000 per Plan Year for two (2) consecutive Plan Years beginning November 1, 2019, for a total of $2,000,000.

   (B) The amount needed for each former Participant hired after January 31, 2009 (a "Tier II Participant"), along with such Tier II Participant's

Accumulated Employee Contributions, to purchase under LAGERS the number of years and months of Credited Service the Tier II Participant forfeited by terminating employment with the City in order to join LAGERS. For example, suppose that a Tier II Participant had 8 years and 3 months of Credited Service when the Tier II Participant terminated employment with the City to join LAGERS. Suppose further that the cost for such Tier II Participant to purchase 8 years and 3 months of service under LAGERS is $75,000, and the Tier II Participant is refunded the amount of $50,000 for his Accumulated Employee Contributions. The amount of the priority under this paragraph (B) would be $25,000.

For example, suppose that the sales tax generates a total of $6.5 million each Plan Year until it expires, for an average of approximately $541,667 per month. Such gross amount would be reduced by approximately $83,333 per month for two years for the payments to LAGERS described in paragraph (A), and by an additional $83,333 per month for five years for the payments described in paragraph (B). Therefore, the average monthly payment for the two Plan Years beginning November 1, 2019 and November 1, 2020 would be approximately $375,000, the average monthly payment for the three Plan Years beginning November 1, 2021, 2022, and 2023 would be approximately $458,333, and the average monthly payment for the remaining during of the sales tax would be approximately $541, 667.

During the period that such general sales tax is in effect, if the Plan is less than 70% funded as determined by the Plan's actuary, and if the aggregate contribution funded by such tax for any Plan Year is less than the actuarial contribution rate for the City set forth in the Actuarial Valuation for the Plan Year, then the City shall make an additional contribution equal to such shortfall.

If during the period after such general sales tax is in effect, the Plan is not fully (100%) funded as determined by the Plan's actuary, then the City shall be responsible for making contributions in the amounts determined by the Plan's actuary to make the Plan fully funded.

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.

Current Section- 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.

POLICEMEN'S AND FIREMEN'S PENSION PLAN OF THE CITY OF JOPLIN, MISSOURI

Amended and Restated Effective February 1, 2020 by Ordinance No. 2019-___

POLICEMEN'S AND FIREMEN'S PENSION PLAN
OF THE CITY OF JOPLIN, MISSOURI

Effective January 1, 1947, the City Council of the City of Joplin established the Policemen's and Firemen's Pension Plan (the "Plan") pursuant to Ordinance Number 19655 adopted on the 17th day of September, 1946, for the benefit of salaried members of the organized police and fire departments.

The Plan has since been amended by Ordinance Number 26598, adopted March 20, 1972; Ordinance Number 27283 adopted December 2, 1974; Ordinance Number 77-172 adopted December 28, 1977; Ordinance Number 93-162 adopted October 18, 1993; Ordinance Number 93-207 adopted December 20, 1993; Ordinance Number 99-056 adopted April 19, 1999; Ordinance Number 99-165 adopted October 18, 1999; Ordinance Number 2000-023 adopted February 21, 2000; Ordinance Number 2002-063 adopted February 4, 2002; Ordinance No. 2009-001 adopted January 5, 2009, Ordinance No. 2012-159 adopted September 24, 2012, Ordinance No. 2013-068 adopted May 1,2013, Ordinance No. 2014-012 adopted January 21, 2014, Ordinance No. 2015-210 adopted December 7, 2015 and Ordinance No. 2016-123 adopted August 15, 2016.

The purpose of the Plan continues to be to provide retirement and disability benefits for eligible employees who become Participants in the Plan and Death Benefits for Beneficiaries of deceased Participants, but limited to those who qualify herein in accordance with the terms and conditions hereinafter set forth. Pursuant to Ordinance No. 2019-___ adopted _____ ___, 2019, the Plan is closed to any employee whose day of employment or reemployment is on or after February 1, 2020.

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SECTION I

DEFINITIONS

1.1 ACCUMULATED EMPLOYEE CONTRIBUTIONS

shall mean the mandatory contributions made by the Participant pursuant to Section 6.1. Lump sum payments by the Plan of Accumulated Employee Contributions are made without interest.

1.2 ADMINISTRATOR

shall mean the Board of Trustees as elected or appointed pursuant to Section 7.4, which shall administer the Plan in accordance with the terms of Section VII.

1.3 ANNIVERSARY DATE

shall mean November 1 of each year.

1.4 AVERAGE MONTHLY COMPENSATION

shall mean the Compensation of a Participant during the highest thirty six (36) consecutive months out of the last sixty (60) consecutive months immediately preceding retirement, divided by thirty six (36). If the Participant does not have thirty six (36) months in which Compensation was received, the average shall be based on the actual period (in months and days) in which Compensation was received. If the Participant has a Break-in-Service so that there are not thirty six (36) consecutive months of Compensation out of the sixty (60) months immediately preceding retirement, the last thirty six (36) months of Compensation shall be averaged, even if not consecutive.

1.5 BENEFICIARY

shall mean an Eligible Spouse, or Qualified Child(ren) who is (are) entitled to receive the benefits which are payable under the Plan upon or after the death of a Participant.

1.6 BENEFIT PAYMENT COMMENCEMENT DATE

shall mean the first day of the first period for which a benefit is payable under the Plan.

1.7 BOARD OF TRUSTEES

shall mean the individuals described in Section 7.4 responsible for the administration of the Plan and investment of Trust assets pursuant to Sections VII and VIII of the Plan.

1.8 BREAK-IN-SERVICE

shall occur when a Participant voluntarily terminates his employment and is not reemployed within one (1) year of such termination. An approved leave of absence shall not be considered a Break-In-Service if the Employee returns to work at the expiration of the approved leave.

1.9 CITY

shall mean the City of Joplin, Missouri, which is the Plan sponsor.

1.10 CODE

shall mean the Internal Revenue Code of 1986, as amended.

1.11 COMPENSATION

shall mean amounts paid by the City which constitute regular wages, longevity pay, stipends, overtime pay, sick pay, vacation pay, compensable time pay, amounts deferred pursuant to Section 457 of the Code and employee salary reduction amounts contributed pursuant to Section 125 of the Code to the City's Flexible Benefits Plan. Compensation shall also include payments made by the City's authorized Third Party Administrator for lost wages as a result of worker's compensation related injuries limited to the Participant's regular base salary. Clothing and Cell Phone allowances shall not qualify as Compensation.

For all purposes under the Plan, a Participant's compensation from the City shall be disregarded to the extent it exceeds the limit of Section 401(a)(17) of the Code.

If a determination period consists of fewer than 12 months, the annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

Notwithstanding any other provision in the Plan, each Section 401(a)(17) employee's benefit under this Plan will be the greater of:

(A) the Employee's benefit as of the last day of the Plan Year ending December 31, 1993, frozen in accordance with Section 1.401(a)(4)-13 of the regulations, or

(B) the Employee's benefit determined with respect to the benefit formula applicable for the Plan Year beginning January 1, 1994, as applied to the Employee's total years of service taken into account under the Plan for purposes of benefit accruals.

A Section 401(a)(17) employee means an Employee whose current Accrued Benefit as of a date on or after January 1, 1994, is based on Compensation for a year beginning prior to January 1, 1994, that exceeded $150,000.

1.12 CONTRIBUTIONS

shall mean the City and Employee contributions to the Plan, made in accordance with Section VI.

1.13 COVERED EMPLOYEE

shall mean an Employee who is employed in covered employment. The term "covered employment" as used herein means employment by the City of Joplin, Missouri, in the Fire Department in active service in any capacity; except that no secretary or clerk, shall be deemed to be in covered employment; or in the Police Department as a uniformed or sworn police officer in active service. Secretaries, clerks, dispatchers, jailers, animal wardens, street painters, cooks, and any other employee or associate of the Police Department shall not be deemed to be in covered employment. Temporary, seasonal, or part-time employees of either the Fire Department or Police Department shall not be deemed to be in covered employment and shall not be required to contribute to the Plan, nor receive any benefit from the Plan. A Plan Participant who, due to medical restriction, is working in other than his/her normal duty, job or hours, is still deemed a member of the covered employment and shall make contributions to the Plan and receive benefits from the Plan.

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 a Participant, and makes the contribution required in Section 6.1. Such service need not be continuous or uninterrupted.

1.15 EARLY RETIREMENT DATE

shall mean for a Participant hired after January 31, 2009, who has not attained age 60, the date the Participant has attained twenty (20) years of Credited Service, but

not yet attained twenty-five (25) years of Credited Service and elected to retire and receive a reduced benefit.

1.16 ELIGIBLE SPOUSE

shall mean the Participant's legal spouse who is married to the Participant on the date the Participant ceases to be employed by the City. If a surviving Eligible Spouse shall become remarried, such individual will cease to be an Eligible Spouse, and benefit payments under this Plan will be discontinued. See Section 10.3 for a special rule concerning how a former spouse of a Participant may be considered the Participant's "Eligible Spouse."

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 effect on the individual's employment status for purposes of the Plan.

1.18 EMPLOYEE CONTRIBUTIONS

shall mean the amount a Participant is required to contribute to the Plan pursuant to Section 6.1 in order to earn benefits derived from City contributions.

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.

1.20 NORMAL RETIREMENT DATE

shall mean the date a Participant has attained the age specified in Section 1.19 or the applicable number of years of Credited Service specified in Section 1.19, and has elected to retire and receive a normal retirement benefit.

1.21 PARTICIPANT

shall mean any Covered Employee who is or becomes eligible to participate in the Plan in accordance with Section II.

1.22 PLAN

shall mean the Policemen's and Firemen's Pension Plan of the City of Joplin, as set forth in this document and as may be amended from time to time in the future.

1.23 PLAN YEAR

shall mean a 12-month period beginning on November 1 and ending on October 31 of the following year.

1.24 RESTATEMENT EFFECTIVE DATE

shall mean the date set forth in Article XI.

1.25 QUALIFIED CHILD OR QUALIFIED CHILDREN

shall mean a child of a Participant under the age of eighteen (18) years who is either (i) a natural or adopted unmarried child of a Participant, or (ii) an unmarried child of the Participant's Eligible Spouse where the child is permanently residing with the Participant as of the date of the Participant's death. Any benefit payable on behalf of or on account of a person who is a Qualified Child shall cease when the person ceases to be a Qualified Child.

1.26 TRUST AGREEMENT

shall mean the agreement entered into between the City and the Trustee.

1.27 TRUST FUND

shall mean all cash, securities, real estate, annuity contracts or any other property held by the Trustee pursuant to the terms of the Trust Agreement, together with income therefrom.

1.28 TRUSTEES

shall mean the Board of Trustees as defined in Section 7.4.

SECTION II

ELIGIBILITY AND PARTICIPATION

2.1 ELIGIBILITY

Each Covered Employee whose employment or reemployment began prior to February 1, 2020 was eligible to become a Participant upon satisfaction of the requirements for employment in his or her position as stipulated by the City. As a condition of employment, a Covered Employee agrees to make the contributions required pursuant to Section 6.1.

2.2 PARTICIPATION

Subject to Section 2.4, all Participants in the Plan on the Restatement Effective Date shall continue to be Participants. No other Employee shall become a Participant in the Plan.

Participation in the Plan shall not give any Employee the right to be retained in the employ of the City, nor, on dismissal, to have any right or interest in the Trust Fund other than as provided in this Plan.

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.

2.4 REEMPLOYMENT OF FORMER PARTICIPANT

(A) In the event a Participant terminated employment and was later reemployed as a Covered Employee prior to February 1, 2020, participation in the Plan resumed 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 was reemployed prior to February 1, 2020 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.

(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.

(C) Notwithstanding anything to the contrary, if a Covered Employee terminated employment and his date of reemployment is on or after February 1, 2020, such Employee shall not be eligible to resume participation in the Plan upon reemployment.

SECTION III

RETIREMENT DATES AND BENEFITS

3.1 NORMAL RETIREMENT

A Participant may retire on or after his Normal Retirement Date, and payment of the retirement benefit shall be governed by the following provisions:

(A) Benefit Amount:

(1) The monthly normal retirement benefit of a Participant hired on or before January 31, 2009, shall be equal to fifty percent (50%) of the Participant's Average Monthly Compensation, adjusted, as applicable, in accordance with the following:

(a) For each year of Credited Service in excess of twenty (20), the Participant shall receive an additional benefit of one percent (1%) of Average Monthly Compensation, up to a maximum total benefit of sixty-five percent (65%) of Average Monthly Compensation.

(b) If the Participant has less than twenty (20) years of Credited Service, the benefit shall be reduced by one-twentieth (1/20) for each year less than twenty (20) years.

(2) The monthly normal retirement benefit of a Participant hired after January 31, 2009, shall be equal to fifty-five percent (55%) of the Participant's Average Monthly Compensation, adjusted, as applicable, in accordance with the following:

(a) For each year of Credited Service in excess of twenty-five (25), the Participant shall receive an additional benefit of one percent (1%) of Average Monthly Compensation, up to a maximum total benefit of sixty percent (60%) of Average Monthly Compensation.

(b) If the Participant has less than twenty-five (25) years of Credited Service, the benefit shall be reduced by one-twenty fifth (1/25) for each year less than twenty-five (25) years.

(B) Benefit Payments: Retirement benefits shall be payable on the same day of each month, as determined by the Trustees. The first payment shall be made for the month in which the Participant's Normal Retirement Date falls, and all payments shall be made as provided in Section 3.6, Normal Form of Benefit Payment.

3.2 EARLY RETIREMENT

A Participant hired after January 31, 2009, may retire on his Early Retirement Date, and payment of the retirement benefit shall be governed by the following provisions:

(A) Benefit Amount: The monthly early retirement benefit of a Participant hired after January 31, 2009, shall be equal to the number of full years of Credited Service times two percent (2%) of the Participant's Average Monthly Compensation.

(B) Benefit Payments: Early retirement benefits shall be payable on the same day of each month, as determined by the Trustees. The first payment shall be made for the month in which the Participant's Early Retirement Date falls, and all payments shall be made as provided in Section 3.6, Normal Form of Benefit Payment.

3.3 BENEFIT ADJUSTMENTS FOR CERTAIN RETIREES

As long as this Plan is in force and has not been terminated, as of each Anniversary Date, the monthly retirement benefit payable to a Participant who retired before April 9, 1972 shall be adjusted to one-half of the "average prevailing monthly salary" determined as of the Anniversary Date.

The "average prevailing monthly salary" shall be computed by adding the monthly salary of each member of both the police and fire departments who qualifies as a Covered Employee, and dividing the total by the number of such Covered Employees.

3.4 BENEFITS OF REEMPLOYED RETIREES

If any retired Participant should be reemployed as a paid Employee of the City, any benefits said Participant is receiving from this Plan shall continue as if the individual were still retired.

3.5 TERMINATION OF EMPLOYMENT

Credited Service with respect to any Participant who terminates employment and is later re-employed by the City as a Covered Employee, before incurring a Break-in-Service, shall be determined under Section 2.4.

3.6 NORMAL FORM OF BENEFIT PAYMENT

shall be a monthly annuity payable for the Participant's lifetime.

3.7 MAXIMUM BENEFIT LIMITATION

The total annual benefit (as hereinafter defined) of any Participant from this Plan and all other defined benefit pension plans of the City shall not exceed the limitations set forth in this Section 3.7 and its subsections.

(A) For purposes of this Section 3.7, the term "annual benefit" means a benefit payable in the form of a straight life annuity with no ancillary benefits under a plan to which employees do not contribute and under which no rollover contributions (as defined in Sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3) and 457 (e)(16) of the Code) are made.

(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.

(C) When retirement benefits under this Plan are payable in any form other than the form described in Section 3.7, the determination as to whether the limitation described in this Section 3.7 has been satisfied shall be made in accordance with regulations prescribed by the Secretary of the Treasury or his delegate, by adjusting such benefit so that it is the actuarial equivalent (as that term is used in Code Section 415(b)) of the benefit described in Section 3.7. For purposes of this Section 3.7, any ancillary benefit which is not directly related to retirement income benefits shall not be taken into account; and that portion of any joint and survivor annuity which constitutes a qualified joint and survivor annuity (as defined in Section 417(b) of the Code, notwithstanding the inapplicability of such Section) shall not be taken into account.

(D) If the payment of a retirement benefit under this Plan commences after the first day of the month coincident with or next following the date the Participant has attained age sixty-five (65), the limit described in paragraph (B) is increased to:

(1) If the annuity starting date is in a limitation year beginning before July 1, 2007, the total annual benefit payable in the form set forth in paragraph (A) commencing at the Participant's annuity starting date that is the actuarial equivalent of the dollar limitation, with the actuarial equivalence computed using whichever of the following produces the smaller annual amount: (a) the interest rate and mortality table or other tabular factor specified in the plan for determining actuarial equivalence for delayed retirement purposes; or (b) a 5 percent interest rate assumption and the applicable mortality table; or

(2) If the annuity starting date is in a limitation year beginning on or after July 1, 2007, the total annual benefit payable in the form set forth in paragraph (A) commencing at the participant's annuity starting date that is the lesser of (a) the actuarial equivalent of the amount in paragraph (B), with actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table, and expressing the Participant's age based on completed calendar months as of the annuity starting date; and (b) the product of the dollar limitation under paragraph (B) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the plan at the participant's annuity starting date to the annual amount of the immediately commencing straight life annuity under the plan at age 65, both determined without applying the limitations of section 415.

The applicable mortality table is the mortality table described in Rev. Rul. 2001-62.

(E) Notwithstanding the preceding provisions of this Section 3.7, the benefits payable with respect to a Participant under this Plan shall be deemed not to exceed the limitations of this Section 3.7 if:

(1) the retirement benefits payable with respect to such Participant under this Plan and under all other qualified defined benefit plans to which the City contributes do not exceed ten thousand dollars ($10,000) for the applicable Plan Year and for any prior Plan Year; and

(2) the City has not at any time maintained a qualified defined contribution plan in which the Participant participated.

(F) In the case of a Participant who has fewer than ten (10) years of participation in the Plan, the limitation referred to in Section 3.7 shall be multiplied by a fraction, the numerator of which is the number of his years (or part thereof) of Plan participation and the denominator of which is ten (10), but in no event shall such fraction be less than one-tenth ($1/10^{th}$).

(G) The limitation year for this Plan shall be the Plan Year.

(H) The $10,000 minimum benefit limitation of paragraph (E)(1), if provided, must be reduced if a participant has less than 10 years of service with the City at the time the participant begins to receive retirement benefits under the Plan. The reduction is made by multiplying the limit of paragraph (E)(1) by a fraction, the numerator of which is the participant's years of service with the City as of and including, the current limitation year, and the denominator of which is 10.

(I) When applying the limitations of this Section, all defined benefit plans (whether or not terminated) of the City, not including a Code Section 415(m) plan, are to be treated as one defined benefit plan.

(J) No repayment of contributions and earnings that were previously refunded due to a forfeiture of credited service pursuant to Code Section 415(k)(3) shall be taken into account under this Section.

(K) In the case of a Participant with less than 15 years of service as in Covered Employee, whose annuity starting date occurs before the Participant attains age 62, the limit described in paragraph (B) is limited to:

(1) If the annuity starting date is in a limitation year beginning before July 1, 2007, the total annual benefit payable in the form set forth in paragraph (A) commencing at the Participant's annuity starting date that is the actuarial equivalent of the dollar limitation, with the actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table described in Treasury Regulation Section 1.417(c)-1(d)(2); or

(2) If the annuity starting date is in a limitation year beginning on or after July 1, 2007, the total annual benefit payable in the form set forth in paragraph (A) commencing at the participant's annuity starting date that is the actuarial equivalent of the dollar limitation, with the actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table, and expressing the Participant's age based on completed calendar months as of the annuity starting date.

3.8 APPLICABLE BENEFIT PROVISIONS

The determination of the benefits to which any Participant or Beneficiary is entitled shall be governed by the terms of the Plan in effect on the date of the Participant's termination of employment, unless a subsequently adopted amendment should provide otherwise.

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 (70 ½) 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 (70 ½). 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.

3.10 OFFSET FOR WORKER'S COMPENSATION

The duty death benefit pursuant to Section 4.1 and the duty disability benefit pursuant to Section 5.1 payable to any Employee, Eligible Spouse or Qualified Child shall not exceed the difference between any worker's compensation payment received by the recipient(s) for the same death or disability and the larger of the "average prevailing monthly salary" (as defined in Section 3.3) or the Covered Employee's Average Monthly Compensation.

3.11 RETURN OF EMPLOYEE CONTRIBUTIONS

(A) With respect to a Covered Employee hired on or before January 31, 2009:

(1) When the Covered Employee terminates employment and retires upon reaching his Normal Retirement Date as defined in Section 1.20, in addition to the benefits payable under Section 3.1, the Plan shall pay each covered employee who retires, dies, or becomes disabled, his Accumulated Employee Contributions, without interest as soon as practicable after his termination of employment.

(2) When the Covered Employee terminates employment for any reason prior to the attainment of the Normal Retirement Date as defined in Section 1.20, the Plan shall pay the Covered Employee his Accumulated Employee Contributions, without interest as soon as practicable after his termination of employment.

(B) With respect to a Covered Employee hired after January 31, 2009:

(1) When the Covered Employee attains twenty (20) years of Credited Service or age 60, the Accumulated Employee Contributions will not be refunded to the Covered Employee but will remain in the Plan. The benefits payable shall be as set forth in Section 3.1 or 3.2.

(2) When the Covered Employee terminates employment for any reason prior to the attainment of twenty (20) years of Credited Service or age 60, the Plan shall pay the Covered Employee his

Accumulated Employee Contributions, without interest as soon as practicable after his termination of employment.

SECTION IV

DEATH BENEFITS

4.1 DUTY DEATH BENEFIT

(A) Eligibility for Benefit

If a Covered Employee dies as a result of a disease or injury contracted or sustained while in the actual discharge and performance of the duties of his or her covered employment, then the duty death benefit described below shall be payable.

(B) Benefit Amount

The duty death benefit payable to an Eligible Spouse shall be a monthly benefit equal to one hundred percent (100%) of the Covered Employee's monthly normal retirement benefit described in Section 3.1, plus an additional twenty percent (20%) of the Covered Employee's monthly normal retirement benefit for each Qualified Child in the care of such Eligible Spouse, up to a maximum total monthly benefit of one hundred fifty percent (150%) of the Covered Employee's monthly normal retirement benefit.

If the Covered Employee's Eligible Spouse does not survive him, the duty death benefit payable on behalf of the surviving Qualified Children, if any, shall be a monthly benefit equal to one hundred percent (100%) of the Covered Employee's monthly normal retirement benefit where there is one surviving Qualified Child, increased by twenty percent (20%) of the Covered Employee's monthly normal retirement benefit for each additional surviving Qualified Child, up to a maximum total benefit of one hundred fifty percent (150%) of the Covered Employee's monthly normal retirement benefit.

4.2 NON-DUTY DEATH BENEFIT

(A) Eligibility

If a Covered Employee, having completed three (3) or more years of Credited Service, shall die under such circumstances that his Eligible Spouse and Qualified Children shall not qualify for the duty death benefit described in Section 4.1 above, and such Covered Employee has not retired, then his Eligible Spouse and/or Qualified Children, if any, shall qualify for the non-duty death benefit described below.

(B) Benefit Amount

The non-duty death benefit payable to his Eligible Spouse shall be a monthly benefit equal to two and one-half percent (2 ½%), plus one-half of one percent (1/2%) for each Qualified Child in her care, of the Covered Employee's monthly normal retirement benefit as defined in Section 3.1, for each full year of the Covered Employee's Credited Service, with an overall maximum monthly benefit equal to four percent (4%) of the Covered Employee's monthly normal retirement benefit for each full year of the Covered Employee's Credited Service.

If the Covered Employee's Eligible Spouse does not survive him, the non-duty death benefit payable on behalf of the surviving Qualified Children, if any, shall be a monthly benefit equal to one and one-half percent (1 ½%) of the Covered Employee's monthly normal retirement benefit where there is one surviving Qualified Child, plus one-half of one percent (1/2%) the Covered Employee's monthly normal retirement benefit for each additional surviving Qualified Child, for each full year of the Covered Employee's Credited Service, with an overall maximum benefit equal to four percent (4%) of the Covered Employee's monthly normal retirement benefit for each full year of the Covered Employee's Credited Service.

4.3 SURVIVOR'S BENEFITS

Upon the death of a Participant who has retired either after reaching age 60 or after acquiring twenty (20) or more years of Credited Service or after becoming disabled, his Eligible Spouse shall be entitled to a monthly survivor's benefit equal to fifty percent (50%), plus twenty percent (20%) for each Qualified Child in her care, of the Participant's monthly normal retirement benefit, with an overall maximum of one hundred percent (100%) of the Participant's monthly normal retirement benefit. In the event that no Eligible Spouse survives the Participant, the monthly survivor's benefit payable on behalf of the surviving Qualified Children, if any, shall be equal to forty percent (40%) of the Participant's monthly normal retirement benefit where there is one surviving Qualified Child, plus fifteen percent (15%) of the monthly normal retirement benefit for each additional surviving Qualified Child, with an overall maximum monthly survivor's benefit of one hundred percent (100%) of the Participant's monthly normal retirement benefit.

Notwithstanding the foregoing, see Sections 4.1 and 4.2 for a description of the circumstances under which this Survivor's Benefit is not payable, on account of the entitlement of an Eligible Spouse or Qualified Children to benefits under those Sections.

4.4 DEATH OF PARTICIPANT WITH NO SPOUSE OR CHILDREN

(A) If a Participant dies before attainment of twenty (20) years of Credited Service or age 60 without being survived by an Eligible Spouse or Qualified Children, the Participant's Accumulated Employee Contributions, without interest, will be paid to the beneficiary designated by the Participant, or, if no such beneficiary is designated, to the Participant's estate. Any beneficiary designation executed by the Participant and on file with the City shall be considered a valid beneficiary designation for this purpose until such designation is affirmatively revoked in writing by the Participant or until the Participant validly executes a new beneficiary designation.

(B) If a Participant, hired on or before January 31, 2009, dies after his Normal Retirement Date without being survived by an Eligible Spouse or Qualified Children, the Participant's Accumulated Employee Contributions, without interest, will be paid to the beneficiary designated by the Participant, or, if no such beneficiary is designated, to the Participant's estate. Any beneficiary designation executed by the Participant and on file with the City shall be considered a valid beneficiary designation for this purpose until such designation is affirmatively revoked in writing by the Participant or until the Participant validly executes a new beneficiary designation.

(C) If a Participant, hired after January 31, 2009, dies after his Normal Retirement Date or Early Retirement Date without being survived by an Eligible Spouse or Qualified Children, the Participant's Accumulated Employee Contributions will remain in the Plan.

4.5 CONTINUATION OF BENEFITS TO QUALIFIED CHILDREN

In the event benefits are paid under Section 4.1, 4.2, or 4.3 to a surviving Eligible Spouse and one or more surviving Qualified Children of a deceased Participant, and the surviving Eligible Spouse ceases to be an Eligible Spouse prior to the date the surviving Qualified Children cease to be Qualified Children, payments will continue to the Qualified Children to the same extent as payments would have been made to such Qualified Children had there been no surviving Eligible Spouse on the date of the Participant's death.

SECTION V

DISABILITY BENEFITS

5.1 DUTY DISABILITY BENEFIT

(A) Eligibility for Benefit

If a Covered Employee becomes physically or mentally unfit for the regular duties of his covered employment, or other duties of similar nature and compensation in such Employee's department, as the result of a disease or injury contracted or sustained while in the actual discharge and performance of the duties of his covered employment, then he shall qualify for the duty disability benefit described below.

(B) Benefit Amount

The duty disability benefit payable to a Covered Employee is a monthly benefit equal to one hundred percent (100%) of the Covered Employee's monthly normal retirement benefit described in Section 3.1. If, at the time a Covered Employee qualifies for duty disability benefits, he has fewer than: (1) twenty (20) years of Credited Service, if hired on or before January 31, 2009; or (2) twenty-five (25) years of Credited Service, if hired after January 31, 2009, the Covered Employee shall receive an additional ten percent (10%) of his monthly normal retirement benefit for his Eligible Spouse and for each Qualified Child, but with an overall maximum benefit of one hundred and thirty percent (130%) of his monthly normal retirement benefit.

Any benefit payable under this Section shall be adjusted pursuant to Section 5.4 as applicable.

5.2 NON-DUTY DISABILITY BENEFIT

(A) Eligibility for Benefit

If a Covered Employee has completed three (3) or more years of Credited Service and becomes physically or mentally unfit for the regular duties of his covered employment, or other duties within such Covered Employee's department of similar nature and compensation and does not qualify for the duty disability benefit described in Section 5.1, then he shall qualify for the non-duty disability benefit described below.

(B) Benefit Amount

The non-duty disability benefit for a Covered Employee with fewer than: (1) twenty (20) years of Credited Service, if hired on or before January 31, 2009; or (2) twenty-five (25) years of Credited Service, if hired after January 31, 2009, shall be a monthly benefit equal to two and one-half percent (2 ½%), plus one-half of one percent (1/2%) for his Eligible Spouse and for each Qualified Child, of the Covered Employee's monthly normal retirement benefit described in Section 3.1 for each full year of the Covered Employee's Credited Service, with an overall maximum of four percent (4%) of the Covered Employee's monthly normal retirement benefit for each full year of his Credited Service.

5.3 DETERMINATION OF DISABILITY

The Board of Trustees may, at their option, hire a physician to examine any Covered Employee who appears to qualify for a disability benefit under this Section V, and to provide a medical opinion as to whether or not the condition causing the disability existed on the date of employment of such Covered Employee. If it is determined that the condition existed on the date of employment, no disability benefits shall be payable under this Section V.

If a Covered Employee who has been determined to have had a pre-existing condition, produces a contrary medical opinion issued by a physician of his choosing and hired at his expense, a third physician will make the final determination. Such third physician shall be one selected by the other two physicians, and the cost shall be shared by the Covered Employee and the Plan.

In the event a Covered Employee continues in covered employment (see the definition of "covered employment" in Section 1.13) for thirty-six (36) consecutive months, he shall not be denied disability benefits due solely to a pre-existing condition.

Notwithstanding anything to the contrary, at any time a disability insurance policy purchased by the Board of Trustees is in force with respect to a Covered Employee, any determination of whether the Covered Employee is disabled shall be made by the insurer that issued such policy. If the insurer determines that a Covered Employee is not disabled, the Covered Employee may appeal to the Board of Trustees to review such insurer's determination, provided that (a) the Covered Employee has timely pursued and exhausted all appeals offered by the insurer, (b) the appeal to the Board of Trustees is submitted within six (6) months after the date of the insurer's final determination, and (c) the Covered Employee causes the Board of Trustees to receive a copy of all information provided to the insurer in making its determination. The review by the Board of Trustees shall review only the information provided to the insurer, and the Board of Trustees shall not consider any information in support of the Covered Employee's appeal

that was not provided to the insurer, except that the Board of Trustees may request and consider information from a third party that was not provided to the insurer that the Board of Trustees, in its sole and absolute discretion, deems necessary to make a decision on appeal.

5.4 PROOF OF CONTINUING DISABILITY

The Board of Trustees may, from time to time, require a Participant under the age of sixty (60) years who is receiving disability benefits hereunder to undergo a physical examination by a physician or physicians designated by the Board. Should such examination disclose that the disability of the Participant no longer exists, the eligibility of such Participant to receive benefits hereunder on account thereof shall terminate. Any Participant receiving disability benefits refusing to undergo such examination shall not be eligible to receive further benefits, pending his submission to such examination. If such refusal continues for a period of one (1) year, all rights of such Participant to any benefits of any kind hereunder shall be finally terminated. If any Covered Employee shall make a claim for disability benefits and the City shall tender to such Covered Employee necessary or proper medical treatment, surgical treatment, hospitalization or any other service, which such Covered Employee may undergo without unusual or undue danger to him, and such Covered Employee shall fail to accept such tender, then any disability benefits payable to such Covered Employee shall be terminated and he shall thereafter have no claim for benefits hereunder, except as noted below. Failure to accept such tender for a period of ninety (90) days shall be deemed to be a refusal.

If a former Covered Employee who has disability benefits terminated pursuant to this Section 5.4 does not return to work as a Covered Employee, such individual shall receive his Accumulated Employee Contributions reduced by that portion of the disability benefits received which was deemed to be attributable to the Employee contributions.

Any Participant who is receiving disability benefits pursuant to this Section V shall not have such benefits reduced, upon the Participant's attainment of Normal Retirement Age or eligibility for early retirement benefits.

5.5 OFFSET FOR DISABILITY INSURANCE

The amount of any duty or non-duty disability benefit payable to a Covered Employee pursuant to this Section V (in the case of a duty disability benefit after reduction for any worker's compensation payment) shall be reduced, but not below zero, by the amount of any payments made on account of the Covered Employee's disability pursuant to any disability insurance purchased by the Board of Trustees.

SECTION VI

CONTRIBUTIONS

6.1 REQUIRED PARTICIPANT CONTRIBUTIONS

As a condition of employment, each Participant is required to contribute biweekly to the Plan.

(A) If a Participant is hired on or before January 31, 2009, the required Employee Contributions shall be at an amount as is recommended by the independent actuarial study of the Plan for the Plan Year then ended, not to exceed 18.08% of Compensation.

(B) If a Participant is hired after January 31, 2009, the required Employee Contributions shall be equal to 10% of Compensation.

6.2 EMPLOYER CONTRIBUTIONS

The City shall make monthly contributions to the Plan equal to the net amount after reduction for the priorities described below from the one-half cent (½ ¢) general sales tax approved by voters in the November 2019 election, which will expire upon the earlier of 12 years after enactment, or the date that the Plan's actuary certifies that the Plan is 120% funded. The priorities referred to in the preceding sentence are the following:

(A) the amount needed to contribute to the Missouri Local Government Employees Retirement System ("LAGERS") $1,000,000 per Plan Year for two (2) consecutive Plan Years beginning November 1, 2019, for a total of $2,000,000.

(B) The amount needed for each former Participant hired after January 31, 2009 (a "Tier II Participant"), along with such Tier II Participant's Accumulated Employee Contributions, to purchase under LAGERS the number of years and months of Credited Service the Tier II Participant forfeited by terminating employment with the City in order to join LAGERS. For example, suppose that a Tier II Participant had 8 years and 3 months of Credited Service when the Tier II Participant terminated employment with the City to join LAGERS. Suppose further that the cost for such Tier II Participant to purchase 8 years and 3 months of service under LAGERS is $75,000, and the Tier II Participant is refunded the amount of $50,000 for his Accumulated Employee Contributions. The amount of the priority under this paragraph (B) would be $25,000.

For example, suppose that the sales tax generates a total of $6.5 million each Plan Year until it expires, for an average of approximately $541,667 per month. Such gross amount would be reduced by approximately $83,333 per month for two years for the payments to LAGERS described in paragraph (A), and by an additional $83,333 per month for five years for the payments described in paragraph (B). Therefore, the average monthly payment for the two Plan Years beginning November 1, 2019 and November 1, 2020 would be approximately $375,000, the average monthly payment for the three Plan Years beginning November 1, 2021, 2022, and 2023 would be approximately $458,333, and the average monthly payment for the remaining during of the sales tax would be approximately $541, 667.

During the period that such general sales tax is in effect, if the Plan is less than 70% funded as determined by the Plan's actuary, and if the aggregate contribution funded by such tax for any Plan Year is less than the actuarial contribution rate for the City set forth in the Actuarial Valuation for the Plan Year, then the City shall make an additional contribution equal to such shortfall.

If during the period after such general sales tax is in effect, the Plan is not fully (100%) funded as determined by the Plan's actuary, then the City shall be responsible for making contributions in the amounts determined by the Plan's actuary to make the Plan fully funded.

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 VII

MANAGEMENT AND ADMINISTRATION

7.1 PARTIES TO THE PLAN

The parties listed below are the named fiduciaries of the Plan;

(A) The City of Joplin (through the City Council)

(B) The Board of Trustees

7.2 GENERAL FIDUCIARY DUTIES

(A) Fiduciaries shall act with the care, skill, prudence, and diligence under the circumstances that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims.

(B) Each fiduciary is responsible for the duties and responsibilities which are specifically allocated to him under this Section VII to the extent not delegated in writing to another fiduciary, and is responsible for no other duties under the Plan.

(C) A fiduciary may serve in more than one fiduciary capacity with respect to the Plan.

7.3 RESPONSIBILITIES OF THE CITY

The City shall authorize contributions to the Fund in accordance with Section VI. To the extent not paid from the Trust Fund, all expenses incurred before termination of the Plan that arise in connection with the administration of the Plan, including but not limited to proper charges of the actuary, accountant, counsel, specialist, or other person who shall be employed by the Trustees, shall be paid by the City. The City shall be responsible for amending the Plan as provided in Section 9.1.

7.4 BOARD OF TRUSTEES

The Board of Trustees shall have seven members consisting of:

(A) the Mayor of the City of Joplin;

(B) two (2) citizens of the City of Joplin;

(C) two (2) actively employed Covered Employees of the Police Department, who shall be elected through a secret ballot by a majority vote of all Covered Employees of the Police Department; and

(D) two (2) actively employed Covered Employees of the Fire Department, who shall be elected through a secret ballot by a majority vote of all Covered Employees of the Fire Department.

Citizen Trustees appointed as stated above shall be appointed to two-year terms by the Mayor with the majority consent of the members of the City Council. One such appointment shall occur in each even-numbered year, and one such appointment shall occur in each odd-numbered year. The appointment to be made in any given year shall be made not later than the second meeting of the City Council in the month of April in the year which the appointment is to occur, and shall be effective on the first Tuesday in May of that year.

Covered Employee Trustees elected as stated above shall serve a term of two (2) years; provided, however, that at the first election after the adoption of this restated Plan one Trustee from the Fire Department and one Trustee from the Police Department shall be elected to a one-year term, so that thereafter the election of one Trustee from the Police Department and one Trustee from the Fire Department shall occur in each even-numbered year, and the election of one Trustee from the Police Department and one Trustee from the Fire Department shall occur in each odd-numbered year. The elections shall be held on the first Tuesday in April, and shall be effective on the first Tuesday in May of the year in which the election is held. Each actively employed Covered Employee of the Police Department and Fire Department shall be notified of each election at least one week in advance of the date each election is to be held. The notice shall include the date, time, place and purpose of the election.

A Citizen Trustee described above may be removed and replaced at any time by the majority vote of the Mayor and the City Council. The term of any person appointed to fill a vacancy created by the death, resignation or removal of a Trustee described above shall expire on the date the replaced Trustee's term would have expired but for his death, resignation or removal.

A Covered Employee Trustee described above may be removed by majority vote of the actively employed Covered Employees of the Department from which the Trustee was elected. The Board of Trustees shall call an election to remove such a Trustee upon request of at least ten (10) actively employed Covered Employees of the Department from which the Trustee was elected. Any vacancy resulting from the death, resignation or removal of a Trustee described above shall be filled by an election, called by the Board of Trustees, by a majority of the actively employed Covered Employees of the Department from which the replaced Trustee was elected. The term of any person elected to fill a vacancy created by

death, resignation or removal of a Trustee described above shall expire on the date the replaced Trustee's term would have expired but for his death, resignation or removal.

No Trustee shall receive any compensation as Trustee.

The City Attorney shall be the legal adviser to the Board of Trustees.

The Mayor shall be the Chairman of the Board and shall preside at all meetings. The Board shall, by majority vote, select a Secretary who may or may not be one of its members. All official meetings of the Board shall be conducted at the Joplin Municipal Building. The Board shall meet whenever necessary at the call of the Chairman and transact all business before it. It shall hold at least one meeting each month at a time to be fixed by the majority of the members.

7.5 ADMINISTRATIVE POWERS, DUTIES AND RESPONSIBILITIES

The Board of Trustees shall administer the Plan for the exclusive benefit of the Participants and their Eligible Spouses and Qualified Children, subject to the specific terms of the Plan. The Board shall have the power to determine all questions arising in connection with the administration, interpretation, and application of the Plan. Any such determination shall be conclusive and binding upon all persons. The Board may establish procedures, correct any defect, supply any information, or reconcile any inconsistency in such manner and to such extent as shall be deemed necessary or advisable to carry out the purpose of this Agreement; provided, however, that any procedure, discretionary act, interpretation or construction shall be done in a non-discriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to be deemed a qualified plan under the terms of Code Section 401(a), and shall comply with the terms of the Act and all regulations issued pursuant thereto. The Administrator shall have all powers necessary or appropriate to accomplish his duties under this Plan.

The Trustees shall be charged with the duties of the general administration of the Plan, including, but not limited to, the following:

(A) to determine all questions relating to the eligibility of Employees to participate or remain a Participant hereunder;

(B) to compute and certify the amount and the kind of benefits to which any Participant, Eligible Spouse or Qualified Child shall be entitled hereunder;

(C) to authorize all non-discretionary or otherwise directed disbursements from the Plan;

(D) to maintain all necessary records for the administration of the Plan;

(E) to interpret the provisions of the Plan and to make and publish such rules for regulation of the Plan as are consistent with the terms hereof;

(F) to provide for medical examinations of all applicants for benefits on account of claims of disability, and the result of such examinations shall be submitted to and become the property of the Board; provided, however, the applicant shall have the right to submit the report of any physician of his own choice, and such report, if so submitted, shall likewise become a part of the permanent records of the Board.

The Board may appoint counsel, specialists, advisors, and other persons as it deems necessary or desirable in connection with the administration of this Plan.

The Board shall keep a record of all proceedings, which record shall be open to public inspection; provided, however, the records of medical examinations made of any applicant for any purpose shall not be subject to inspection by the public.

The enumeration of the specific powers and authority of the Board of Trustees herein shall not be construed in limitation of its powers and authority to do all other things necessary or reasonably required to carry out and make effective the specific powers herein granted.

7.6 CLAIMS PROCEDURE

The Board of Trustees shall have the power, and it is required, to provide suitable forms of application and other forms to be used in making claims for benefits from the Fund, to prescribe rules and regulations, not inconsistent with State Laws, or this Plan, or City Ordinance No. 19655, to govern and control the hearing, consideration and disposition of all claims, and other administrative matters and proceedings before such Board.

The Trustees shall have exclusive original jurisdiction to receive, hear and rule upon all claims for benefits from the Fund and to hear and determine all such claims in the first instance. The decision of the Trustees shall be in writing, and the Board shall take and preserve the evidence on any disputed claim and such evidence, records, finding and decision of the Board shall be subject to judicial review by certiorari or other proper legal procedure with the full right of appeal from the decision of the reviewing court on appeal, as in other civil cases.

SECTION VIII

TRUST FUND AND TRUSTEE

8.1 BASIC RESPONSIBILITIES OF THE TRUSTEE

The Trustee shall have the following categories of responsibilities:

(A) Consistent with the "funding policy and method" established by the Board, to invest, manage, and control the Plan assets subject, however, to the direction of an Investment Manager if the Trustee should appoint such manager as to all or a portion of the assets of the Plan;

(B) To pay benefits required under the Plan to be paid to Participants, or, in the event of their death, to their Eligible Spouse or Qualified Children; and

(C) To maintain records of receipts and disbursements.

8.2 INVESTMENT POWERS AND DUTIES OF THE TRUSTEE

(A) The Trustees shall invest and reinvest the Trust Fund to keep the Trust Fund invested without distinction between principal and income and in such securities or property, real or personal, wherever situated, as the Trustee shall deem advisable, including, but not limited to, stocks, common or preferred, bonds and other evidences of indebtedness or ownership, and real estate or any interest therein. The Trustee shall at all times in making investments of the Trust Fund consider, among other factors, the short and long-term financial needs of the Plan on the basis of information furnished by the Employer. In making such investments, the Trustee shall not be restricted to securities or other property of the character expressly authorized by the applicable law for trust investments; however, the Trustee shall give due regard to any limitations imposed by state law so that at all times the Plan may qualify under applicable federal and state laws for favorable tax treatment.

(B) The Trustee may employ a bank or trust company pursuant to the terms of its usual and customary bank agency agreement, under which the duties of such bank or trust company shall be of a custodial, clerical and recordkeeping nature.

8.3 OTHER POWERS OF THE TRUSTEE

The Trustees, in addition to all powers and authorities under common law, statutory authority and other provisions of the Plan, shall have the following powers and authorities, to be exercised in the Trustee's sole discretion:

(A) To purchase, or subscribe for, any securities or other property and to retain the same;

(B) To sell, exchange, convey, transfer, grant options to purchase, or otherwise dispose of any securities or other property held by the Trustee, by private contract or at public auction. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity, expediency, or propriety of any such sale or other disposition, with or without advertisement;

(C) To vote upon any stocks, bonds, or other securities; to give general or special proxies or powers of attorney with our without power of substitution; to exercise any conversion privileges, subscription rights or other options, and to make any payments incidental thereto; to oppose, or to consent to, or otherwise participate in, corporate reorganizations or other changes affecting corporate securities, and to delegate discretionary powers, and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of an owner with respect to stocks, bonds, securities, or other property;

(D) To cause any securities or other property to be registered in the Trustee's own name or in the name of one or more of the Trustee's nominees, and to hold any investments in bearer form, but the books and records of the Trustee shall at all times show that all such investments are part of the Trust Fund;

(E) To keep such portion of the Trust Fund in cash or cash balances as the Trustees may, from time to time, deem to be in the best interests of the Plan, without liability for interest thereon;

(F) To accept and retain for such time as the Trustees may deem advisable any securities or other property received or acquired as Trustees hereunder, whether or not such securities or other property would normally be purchased as investments hereunder;

(G) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other

instruments that may be necessary or appropriate to carry out the powers herein granted;

(H) To settle, compromise, or submit to arbitration any claims, debts, or damages due or owing to or from the Plan, to commence or defend suits or legal or administrative proceedings, and to represent the Plan in all suits and legal and administrative proceedings;

(I) To employ suitable agents and counsel and to pay their reasonable expenses and compensation, and such agent or counsel may or may not be agent or counsel for the Employer;

(J) To apply for and procure from responsible insurance companies, to be selected by the Trustees, as an investment of the Trust Fund such annuity, or other Contracts (on the life of any Participant) as the Trustees shall deem proper; to exercise, at any time or from time to time, whatever rights and privileges may be granted under such annuity, or other Contracts; to collect, receive, and settle for the proceeds of all such annuity or other Contracts as and when entitled to do so under the provisions thereof;

(K) To invest in Treasury Bills and other forms of United States government obligations;

(L) To invest in shares of investment companies registered under the Investment Company Act of 1940;

(M) To sell, purchase and acquire put or call options if the options are traded on and purchased through a national securities exchange registered under the Securities Exchange Act of 1934, as amended, or, if the options are not traded on a national securities exchange, are guaranteed by a member firm of the New York Stock Exchange;

(N) To deposit monies in federally insured savings accounts or certificates of deposit in banks or savings and loan associations;

(O) To purchase and hold one or more group contracts of disability insurance to insure against the disability of Covered Employees;

(P) To do all such acts and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to carry out the purposes of the Plan.

8.4 DUTIES OF THE TRUSTEE REGARDING PAYMENTS

The Trustees shall, from time to time, in accordance with the terms of the Plan, make payments out of the Trust Fund. The Trustee shall not be responsible in any way for the application of such payments.

SECTION IX

AMENDMENT AND TERMINATION

9.1 AMENDMENT OF THE PLAN

(A) The Board of Trustees may, at any time, recommend that the Plan be amended for any reason. Any amendment is subject to approval by the Participants (by majority vote of those voting with respect to the amendment), and final ratification by the City Council. No amendment shall authorize or permit any part of the Trust Fund to be diverted for purposes other than for the exclusive benefit of Participants and their Beneficiaries. Also, no amendment shall have the effect of revesting in the City any portion of the Trust Fund.

(B) Any proposed amendment to the Plan shall be submitted to the participants under the following procedure:

The proposed amendment shall be in writing, and posted at each work site. Notice of the vote on the amendment shall be given to each participant and mailed to all retirees which shall specify the dates of the election, and procedure. Voting shall occur in person, by secret ballot, at the City Clerk's Office, or, by notarized ballot mailed or delivered to the City Clerk and received by him within the time allotted for voting which shall be for a period of not less than four (4) weeks. The results shall be tabulated by the City Clerk, under the supervision of two (2) members of the non-Police and Fire Classified Service of the City, and the results reported to the Board of Trustees at its next meeting, and posted publicly at each work site.

9.2 TERMINATION OF THE PLAN

Any termination of the Plan shall be in accordance with Section 28 of Ordinance No. 26598 (as amended by Ordinance No. 77-172) or the duly enacted successor to that provision. Section 28 of Ordinance No. 26598 provides as follows:

> [T]he Council of the City of Joplin, Missouri, may by Ordinance create a different Pension Plan which may include Social Security System, Statewide Municipal Retirement Plan, or a separate new City Plan, or any combination thereof, for all employees of the Police and Fire Departments of the City employed after February 1, 1978, and after the passage of the new Ordinance giving effect to such Plan. This Section shall not apply to covered employees of

the Police and Fire Departments on the effective date of this Ordinance.

In the event of the termination or partial termination of the Plan, the benefits of all affected Participants determined as of the date of such termination or partial termination, to the extent funded as of such date, shall be non-forfeitable. No such action shall alter the Plan or its operation with respect to Participants who have previously retired under this Plan.

The Trustees shall arrange for the Trust Fund to be transferred to any replacement plan as appropriate, and if necessary, apportioned between Participants.

SECTION X

MISCELLANEOUS

10.1 HEADINGS

The headings and subheadings in this Plan have been inserted for convenience of reference only, and are to be ignored in any construction of its provisions.

10.2 CONSTRUCTION

In the construction of this Plan, the masculine shall include the feminine and the singular the plural, in all cases where such meanings would be appropriate.

10.3 SPENDTHRIFT CLAUSE

No benefits paid to a Participant shall be subject to the claim or to any legal process of any creditor of the Participant or Beneficiary. No Participant or Beneficiary shall have any right to alienate, commute, or assign any of the benefit distributions (except as provided in Section 10.4 below, with respect to payments to a trust on behalf of a minor).

This provision shall not apply to a "qualified domestic relations order", as defined in Code Section 414(p). To the extent provided under a qualified domestic relations order, a former Eligible Spouse of a Participant shall be treated as the Eligible Spouse or surviving Eligible Spouse for all purposes under the Plan. Notwithstanding the foregoing, however, where a person is considered pursuant to a qualified domestic relations order to be a Participant's Eligible Spouse or surviving Eligible Spouse, and the person remarries, such person shall no longer be considered the Participant's Eligible Spouse as of the date the person is remarried.

10.4 LEGALLY INCOMPETENT

Every person receiving or claiming a benefit under the Plan shall be presumed to be mentally competent and of age until the Trustees receive reliable, written notice that such person is incompetent or a minor. Payments otherwise due a minor shall be paid to any custodial parent of such minor, unless the Participant has designated a trust to receive the benefit on behalf of such minor. Payments otherwise due any other incompetent person shall be paid to the guardian, conservator, trustee or other legal representative of such person. In the event that the Trustees are unable to locate a parent, guardian, conservator, trustee or other legal representative of an incompetent person who is otherwise entitled to payment under the Plan, such payment shall be made to the individual determined by the Trustees to have assumed financial responsibility for the care of such person. Any payment of a benefit in accordance with the provisions of this

Section shall be in complete discharge of any further liability to make such payment. In the event the Trustees are faced with competing claims to benefits, they shall be authorized to seek a judicial determination as to the Plan's liability.

10.5 COMPLIANCE WITH APPLICABLE LAWS

The Trustees shall interpret and administer the Plan in such manner that the Plan shall remain in compliance with Sections 401 and 501 of the Code by meeting the requirements of Section 414(d) of the Code.

10.6 NOT A CONTRACT OF EMPLOYMENT

Nothing in this Plan shall be deemed to give any Employee any right to be retained in the employ of the City.

10.7 INDEMNITY

The City hereby agrees to assume liability for, and does hereby indemnify, protect, save, and keep harmless each member of the Board of Trustees, and their respective successors and assigns from and against any and all liabilities, obligations, losses, expenses, damages, penalties, taxes, claims, actions, suits, costs, expenses, or disbursements (including legal fees and expenses) of any kind and nature whatsoever, which may be imposed on, incurred by, or asserted against such member(s) (whether or not such member(s) is also indemnified by any other person), which in any way relate to or arise out of this Plan or the administration of the Plan or Fund, or the action or inaction of such member(s) hereunder, except only in the case of willful misconduct or gross negligence on the part of such member(s) in the performance of his duties.

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 ($5,000.00) or more as determined by the court;

(B) The offense of felony receiving stolen property under RSMo. Section 57.080 when such offense involved money, property, or

services valued at five thousand dollars ($5,000.00) 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 XI

RESTATEMENT EFFECTIVE DATE

This Plan restatement is hereby adopted by the Board of Trustees pursuant to Ordinance Number 2019-____ passed by the Council of the City of Joplin, Missouri, this _____ day of _____, 2019, but effective as of February 1, 2020.

Board of Trustees:

_____	_____
Mayor, Gary Shaw	Date
_____	_____
John Alford, Fire	Date
_____	_____
Adam Grimes, Fire	Date
_____	_____
Jared Delzell, Police	Date
_____	_____
Larry Swinehart, Police	Date
_____	_____
Marshall Hogue	Date
_____	_____
Mike McGavran	Date

Approved as to Form:

_____	_____
City Attorney, Peter C. Edwards	Date

COUNCIL BILL NO. 2019-537 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, January 21, 2014, December 7, 2015 and August 15, 2016, to close the Pension Plan to new hires effective February 1, 2020; and, setting a date when this ordinance shall become effective.

WHEREAS, the voters of the City of Joplin approved a ½-cent sales tax dedicated to close the pension plan to new hires and transition public safety employees to LAGERS; 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, an election of the qualified participants of the plan was held from July 15, 2019 to August 9, 2019; and,

WHEREAS, of the 194 active and 127 retired Pension Policemen and Firemen, 211 voted in favor of the Plan amendments, and 5 voted against the proposed Plan amendments.

WHEREAS, the City Council desires to approve the Pension Plan amendments to close the Plan to new hires effective February 1, 2020.

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

Section 1. That Section 1.13 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

1.13 COVERED EMPLOYEE

shall mean an Employee who is employed in covered employment. The term "covered employment" as used herein means employment by the City of Joplin, Missouri, in the Fire Department in active service in any capacity; except that no secretary or clerk, shall be deemed to be in covered employment; or in the Police Department as a uniformed or sworn police officer in active service. Secretaries, clerks, dispatchers, jailers, animal wardens, street painters, cooks, and any other employee or associate of the Police Department shall not be deemed to be in covered employment. Temporary, seasonal, or part-time employees of either the Fire Department or Police Department shall not be deemed to be in covered employment and shall not be required to contribute to the Plan, nor receive any benefit from the Plan. A Plan Participant who, due to medical restriction, is working in other than his/her normal duty, job or hours, is still deemed a member of the covered employment and shall make contributions to the Plan and receive

benefits from the Plan.

Section 2. 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 a Participant, and makes the contribution required in Section 6.1. Such service need not be continuous or uninterrupted.

Section 3. That Section 2.1 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

2.1 ELIGIBILITY

Each Covered Employee whose employment or reemployment began prior to February 1, 2020 was eligible to become a Participant upon satisfaction of the requirements for employment in his or her position as stipulated by the City. As a condition of employment, a Covered Employee agrees to make the contributions required pursuant to Section 6.1.

Section 4. That Section 2.2 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

2.2 PARTICIPATION

Subject to Section 2.4, all Participants in the Plan on the Restatement Effective Date shall continue to be Participants. No other Employee shall become a Participant in the Plan.

Participation in the Plan shall not give any Employee the right to be retained in the employ of the City, nor, on dismissal, to have any right or interest in the Trust Fund other than as provided in this Plan.

Section 5. That Section 2.4 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

2.4 REEMPLOYMENT OF FORMER PARTICIPANT

(A) In the event a Participant terminated employment and was later reemployed as a Covered Employee prior to February 1, 2020, participation in the Plan resumed 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 was reemployed prior to February 1, 2020 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.

(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.

(C) Notwithstanding anything to the contrary, if a Covered Employee terminated employment and his date of reemployment is on or after February 1, 2020, such Employee shall not be eligible to resume participation in the Plan upon reemployment.

Section 6. That Section 6.2 of the Policemen's and Firemen's Pension Plan of the City of Joplin, Missouri is hereby amended to read as follows:

6.2 EMPLOYER CONTRIBUTIONS

The City shall make monthly contributions to the Plan equal to the net amount after reduction for the priorities described below from the one-half cent (½ ¢) general sales tax approved by voters in the November 2019 election, which will expire upon the earlier of 12 years after enactment, or the date that the Plan's actuary certifies that the Plan is 120% funded. The priorities referred to in the preceding sentence are the following:

(A) the amount needed to contribute to the Missouri Local Government Employees Retirement System ("LAGERS") $1,000,000 per Plan Year for two (2) consecutive Plan Years beginning November 1, 2019, for a total of $2,000,000.

(B) The amount needed for each former Participant hired after January 31, 2009 (a "Tier II Participant"), along with such Tier II Participant's Accumulated Employee Contributions, to purchase under LAGERS the number of years and months of Credited Service the Tier II Participant forfeited by terminating employment with the City in order to join LAGERS. For example, suppose that a Tier II Participant had 8 years and 3 months of Credited Service when the Tier II Participant terminated employment with the City to join LAGERS. Suppose further that the cost for such Tier II Participant to purchase 8 years and 3 months of service under LAGERS is $75,000, and the Tier II Participant is refunded the amount of $50,000 for his Accumulated Employee Contributions. The amount of the priority under this paragraph (B) would be $25,000.

For example, suppose that the sales tax generates a total of $6.5 million each Plan Year until it expires, for an average of approximately $541,667 per month. Such gross amount would be reduced by approximately $83,333 per month for two years for the payments to LAGERS described in paragraph (A), and by an additional $83,333 per month for five years for the payments described in paragraph (B). Therefore, the average monthly payment for the two Plan Years beginning November 1, 2019 and November 1, 2020 would be approximately $375,000, the average monthly payment for the three Plan Years beginning November 1, 2021, 2022, and 2023 would be approximately $458,333, and the average monthly payment for the remaining during of the sales tax would be approximately $541, 667.

During the period that such general sales tax is in effect, if the Plan is less than 70% funded as determined by the Plan's actuary, and if the aggregate contribution funded by such tax for any Plan Year is less than the actuarial contribution rate for the City set forth in the Actuarial Valuation for the Plan Year, then the City shall make an additional

contribution equal to such shortfall.

If during the period after such general sales tax is in effect, the Plan is not fully (100%) funded as determined by the Plan's actuary, then the City shall be responsible for making contributions in the amounts determined by the Plan's actuary to make the Plan fully funded.

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 7. That this ordinance shall become effective on February 1, 2020.

PASSED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, this _____ day

of _____, 2019.

_____
Gary L. Shaw, Mayor

ATTEST:

_____
Barbara J. Gollhofer, City Clerk

APPROVED AS TO FORM:

_____
Peter C. Edwards, City Attorney