



MEMORANDUM

To: City Employees

From: Mayor John Lampl and the City Council

Date: December 14, 2021

Subject: **Ordinance for Plan Asset Transfer of assets with GMA For Retirement Plans**

BACKGROUND

At our July 13, 2021 Council meeting, the City approved the resolutions to termination our agreements with GMA for retirement plans, transfer agreements over to OneAmerica, and authorize the mayor to execute all related documents as necessary to complete the transfer. This process has proceeded on schedule, including attorney review of the related plan documents executed since.

One document requested of GMA is Plan Asset Transfer Agreement. This agreement was prepared by GMA in ordinance format. Though Council has grant the mayor authority to execute all documents, as a formality, I am requesting Council approve this document as well so it can be specifically referenced in the minutes as having been approved. There is nothing in the agreement affecting plan benefits to current or future retirees; it's entirely an administrative document dealing with the transfer of plan assets.

RECOMMENDED ACTIONS

It is my recommendation approve the Plan Asset Transfer Agreement with GMA and authorize the mayor to execute any related documents.

A BILL TO BE ENTITLED AN ACT

Ordinance 2022-01

To provide a homestead exemption increase from the current assessed value of City of Morrow ad valorem taxes for city purposes, except taxes levied by the city to pay interest on and to retire bonded indebtedness, from the current assessed amount of \$60,000.00 to \$80,000.00 assessed value of that homestead for residents of that city; to provide for definitions; to specify the terms and conditions of the exemptions and the procedures relating thereto; to provide for applicability; to provide for a referendum, effective dates, and automatic repeal; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

For purposes of this Act, the term:

"Ad valorem taxes for city purposes" means all ad valorem taxes for city purposes levied by, for, or on behalf of the City Morrow, including, but not limited to, taxes for maintenance, operations, fire protection services, and hospital services; but such term shall not include taxes levied by the city to pay interest on and to retire bonded indebtedness.

"Homestead" means homestead as defined and qualified in Code Section 48-5-40 of the O.C.G.A.

SECTION 2.

Each resident of the City of Morrow who is granted an exemption on that person's homestead from assessed value of \$80,000.00 of City of Morrow ad valorem taxes for city purposes, except taxes levied by the city to pay interest on and to retire bonded indebtedness, in the amount of the total assessed value of that homestead.

A person shall not receive the homestead exemption granted by subsection (a) of this section unless the person or the person's agent files an affidavit with the official designated by the governing authority of the city. (b) of this section, and such additional information relative to receiving such exemption

as will enable such official to make a determination as to whether such owner is entitled to such exemption. The official so designated shall provide affidavit forms for this purpose.

SECTION 3.

The City of Morrow or the official designated by the governing authority or the designee thereof shall provide application forms for the exemption granted by this Act and shall require such information as may be necessary to determine the initial and continuing eligibility of the owner for the exemption.

SECTION 4.

The exemption shall be claimed and returned as provided in Code Section 48-5-50.1 of the O.C.G.A. The exemption shall be automatically renewed from year to year as long as the owner occupies the residence as a homestead. After the person has filed the proper affidavit and certificate or certificates, as provided in subsection (b) of Section 2 of this Act, it shall not be necessary to make application and file such affidavit and certificate thereafter for any year and the exemption shall continue to be allowed to such person. It shall be the duty of any person granted a homestead exemption under this Act to notify the City of Morrow or the official designated for such purpose by the governing authority of the city or the designee thereof if person for any reason becomes ineligible for that exemption.

SECTION 5.

The exemption granted by this Act shall not apply to or affect any state taxes, county taxes, or Clayton County School District taxes for educational purposes. The homestead exemption granted by this Act shall be in lieu of and not in addition to any other homestead exemption applicable to City of Morrow ad valorem taxes for city purposes.

SECTION 6.

The exemption granted by this Act shall apply to all taxable years beginning on or after January 1, 2023.

SECTION 7.

Unless prohibited by the federal Voting Rights Act of 1965, as amended, the election superintendent of the City of Morrow shall call and conduct an election as provided in this section for the purpose of submitting this Act to the electors of the City

of Morrow for approval or rejection. The election superintendent shall conduct that election on any date during 2022 on which a municipality may conduct an election pursuant to the general laws of this state and shall issue the call and conduct that election as provided by general law. The superintendent shall cause the date and purpose of the election to be published once a week for two weeks immediately preceding the date thereof in the official organ of Clayton County. The ballot shall have written or printed thereon the words:

"() YES

() NO

Shall the Act be approved which provides a homestead exemption from City of Morrow ad valorem taxes for city purposes, except taxes levied by the city to pay interest on and to retire bonded indebtedness, in the amount of the total assessed value of the homestead for all residents of that city.

All persons desiring to vote for approval of the Act shall vote "Yes," and those persons desiring to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on such question are for approval of the Act, Sections 1 through 6 shall become of full force and effect on January 1, 2023. If the Act is not so approved or if the election is not conducted as provided in this section, Sections 1 through 6 of this Act shall not become effective and this Act shall be automatically repealed on the first day of January immediately following that election date.

The expense of such election shall be borne by the City of Morrow. It shall be the election superintendent's duty to certify the result thereof to the Secretary of State.

SECTION 8.

Except as otherwise provided in Section 7 of this Act, this Act shall become effective on January 1, 2023.

SECTION 9.

All laws and parts of laws in conflict with this Act are repealed.

CITY OF MORROW, GEORGIA

ORDAINED this 25th day of January 2022.



ATTEST

Markeeta Lee, City Clerk



John J. Lampl II, Mayor



Section 3. Additional Optional Forms of Distributions. Notwithstanding anything to the contrary in Section 9 of this Adoption Agreement, the following optional forms of distribution will be available.

(a) OPTION B: Joint and Survivor Option with Pop-Up. A retirement benefit computed and paid in the same manner as Option A above, but with a decrease in the retirement benefit to account for the survivor benefit and the pop-up benefit provided under this Option B. If the Participant elects Option B, then the Participant will receive a decreased retirement benefit which shall be payable during the lifetime of the Participant. If the Participant's designated Post-Retirement Beneficiary should survive the Participant (except as provided in subsections (1) and (2) below with respect to the Post-Retirement Beneficiary's death before the Participant or the divorce of the Participant and Post-Retirement Beneficiary) the benefit shall continue to be paid to the Post-Retirement Beneficiary after the Participant's death during the lifetime of the Post-Retirement Beneficiary in the same amount (100%) or in such smaller amount (75%, 50%, or 25%), as the Participant has designated on his retirement application. This option shall be known as Option B. The Participant's retirement benefit under Option B shall be calculated in accordance with Section 4(b) or (c) below, whichever is applicable.

(1) Death of Post-Retirement Beneficiary Before Participant. In the event that the Participant's Post-Retirement Beneficiary dies before the Participant and after Retirement benefit payments have commenced, and provided the Participant furnishes the Plan Administrator with proper proof of the Beneficiary's death within one (1) year after such death, the requirement for a reduction in the Participant's monthly retirement benefit on account of his election of Option B shall no longer apply (resulting in an increase, or "pop-up", in the Participant's monthly retirement benefit), effective as of the first day of the month following the Post-Retirement Beneficiary's death. Effective with respect to monthly payments made on and after such date, the amount of the Participant's monthly retirement benefit shall be equal to the monthly amount that would have otherwise been payable to the Participant under Article VI, had the Participant elected Option A. However, if the Participant fails to furnish the Plan with proper proof of the Post-Retirement Beneficiary's death within the one (1) year period referred to above, then said change in monthly retirement benefit shall not become effective until the first day of the month following the date such proof is submitted to the Plan Administrator. If the Post-Retirement Beneficiary does not survive the Participant, all payments shall cease at the death of the Participant and no further benefits will accrue to his estate or to other persons.

(2) Divorce of Participant and Post-Retirement Beneficiary. If the Participant designates his Spouse as his Post-Retirement Beneficiary and provides the Plan

Administrator with proof that the Plan Administrator in its sole discretion deems sufficient to establish that the Post-Retirement Beneficiary is the Participant's Spouse as of the Participant's effective retirement date, and if the Participant and the Post-Retirement Beneficiary become divorced after retirement benefit payments have commenced, then the Participant is permitted but not required to request a "pop-up" in his monthly retirement benefit, in accordance with and subject to the requirements of this subsection (2). A Participant who requests a pop-up pursuant to this subsection (2) will be bound by the provisions of this subsection and any other terms and conditions for receipt of said pop-up as set forth in an Applicable Form provided by the Plan Administrator for such purpose. Such Participant shall furnish proof to the Plan Administrator which the Plan Administrator in its sole discretion deems sufficient to confirm the Participant's divorce from the Post-Retirement Beneficiary and the Participant's eligibility for the pop-up benefit provided herein, which may include but may not be limited to a court-certified copy of a valid divorce decree. In the event that the conditions of this subsection (2) are satisfied, the requirement for a reduction in the Participant's monthly retirement benefit on account of the election of Option B will no longer apply; provided, however, that the Plan Administrator may deny the Participant's application for the pop-up in the event that the Plan Administrator, in its sole discretion, determines that such denial is prudent or necessary based on the terms of the applicable divorce decree. Any change in the monthly retirement benefit resulting from the pop-up, if approved by the Plan Administrator, will be effective as of the first day of the month following the Plan Administrator's receipt of said Applicable Form completed by the Participant, and after the Plan Administrator's receipt of said proof evidencing divorce. Effective with respect to monthly payments made on and after such date, the amount of the Participant's monthly retirement benefit will be equal to the monthly amount that would have otherwise been payable to the Participant under Article VI had the Participant elected Option A. On and after said date, the Participant's Post-Retirement Beneficiary will not be eligible to receive any survivor benefits following the Participant's death, notwithstanding any prior designation made by the Participant or the later remarriage of the Participant and the Post-Retirement Beneficiary. All payments shall cease at the death of the Participant and no further benefits will accrue to his estate or to other persons. This provision shall not be construed to permit a Participant to change his form of benefit payment, to change his Post-Retirement Beneficiary after his effective Retirement date, or to name a new Post-Retirement Beneficiary following the Participant's divorce from the Post-Retirement Beneficiary. Nor shall this provision be construed to require or permit payment of all or a portion of a Participant's retirement benefit to a former spouse pursuant to a domestic relations order.

(b) OPTION C: Period Certain and Life Option. A decreased benefit payable monthly to the Participant during his lifetime and, in the event of his death within a period of specified years, either five (5), ten (10), fifteen (15), or twenty (20) years after his benefit commencement, the same monthly amount shall be payable for the balance of such period to the Post-Retirement Beneficiary designated by him. If the Post-Retirement Beneficiary survives the Participant but dies before the end of such period, any unpaid monthly amounts that would have otherwise been payable to the Post-Retirement Beneficiary for the remainder of said period following the Post-Retirement Beneficiary's death shall be paid to the Post-Retirement Beneficiary's estate. If the Post-Retirement Beneficiary does not survive the Participant, all payments shall cease at the death of the Participant and no further benefits will accrue to his estate or to other persons except as provided in this Section 3. This option shall be known as Option C. The Retirement benefit under Option C shall be calculated in accordance with Section 4 below.

Section 4. Notwithstanding anything to the contrary in Section 11 of the Adoption Agreement, the following tables of adjustment factors will apply as the case may be.

(a) Early Retirement Reduction Table. The following early retirement reduction table is to be used.

<u>Number of Years Before Normal Retirement*</u>	<u>Percentage of Normal Retirement Benefit</u>
0	1.000
1	.933
2	.867
3	.800
4	.733
5	.667
6	.633
7	.600
8	.567
9	.533
10	.500

*Interpolate for whole months.

(b) Option B Tables

(1) Participant Same Age or Older. The following table is to be used for a Participant who is the same age or older than the Participant's Beneficiary.

<u>Participant Age – Beneficiary Age</u>	<u>Contingent Annuity Factor</u>			
	<u>100%</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>
0	.833	.870	.909	.952
1	.826	.864	.905	.950
2	.819	.857	.900	.947
3	.811	.851	.896	.945
4	.804	.845	.891	.943
5	.797	.839	.887	.940
6	.790	.833	.882	.938
7	.783	.828	.878	.935
8	.776	.822	.874	.933
9	.769	.816	.870	.930
10	.763	.811	.866	.928
11	.757	.806	.861	.926
12	.751	.800	.858	.923
13	.745	.795	.854	.921
14	.739	.791	.850	.919
15	.733	.786	.846	.917
16	.728	.781	.843	.915
17	.723	.777	.839	.913
18	.718	.772	.836	.911
19	.713	.768	.833	.909
20	.708	.764	.830	.907
21 or more	*	*	*	*

*Factor for twenty (20) year age difference minus extrapolation factor below times number of years in excess of twenty (20) that Participant's age exceeds his Beneficiary's age.

Contingent
Annuity %

Extrapolation
Factor

100%	.005
75%	.004
50%	.003
25%	.002

(2) Participant Younger Than Beneficiary. The following table is to be used for a Participant who is younger than his Beneficiary:

<u>Beneficiary Age – Participant Age</u>	<u>Contingent Annuity Factor</u>			
	<u>100%</u>	<u>75%</u>	<u>50%</u>	<u>25%</u>
1	.841	.876	.914	.955
2	.848	.882	.918	.957
3	.856	.888	.922	.960
4	.863	.894	.926	.962
5	.870	.899	.931	.964
6	.877	.905	.935	.966
7	.885	.911	.939	.968
8	.892	.916	.943	.970
9	.898	.922	.947	.973
10	.905	.927	.950	.974
11	.912	.932	.954	.976
12	.918	.937	.957	.978
13	.924	.942	.960	.980
14	.930	.946	.964	.981
15	.935	.951	.967	.983
16	.941	.955	.969	.984
17	.945	.959	.972	.986
18	.950	.962	.974	.987
19	.955	.966	.977	.988
20	.959	.969	.979	.989
21 or more	.960	.970	.980	.990

(c) Option C Table

<u>Period</u>	<u>Factor</u>
5 Years	.973
10 Years	.911
15 Years	.842
20 Years	.780

(d) Life Annuity Factors to be Used in Computing Actuarial Reserve Death Benefit

<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>
21	12.5773	43	11.4236
22	12.5567	44	11.3274
23	12.5337	45	11.2264
24	12.5082	46	11.1207
25	12.4804	47	11.0102
26	12.4501	48	10.8952
27	12.4170	49	10.7755
28	12.3809	50	10.6509
29	12.3416	51	10.5213
30	12.2994	52	10.3869
31	12.2541	53	10.2479
32	12.2056	54	10.1041
33	12.1535	55	9.9552
34	12.0976	56	9.8010
35	12.0383	57	9.6415
36	11.9754	58	9.4769
37	11.9088	59	9.3076
38	11.8384	60	9.1331
39	11.7640	61	8.9537
40	11.6855	62	8.7698
41	11.6026	63	8.5818
42	11.5154	64	8.3903
		65	8.1958

(e) Late Retirement Actuarial Increase Factors

<u>Current Age</u>	<u>Factor</u>
65	1.0000
66	1.1317
67	1.2850
68	1.4645
69	1.6755
70	1.9246

71	2.2204
72	2.5734
73	2.9967
74	3.5073
75	4.1274

Figure factor using years and months. Divide difference between next highest age factor and age factor lower, by twelve (12), then multiply by number of months. Add this onto age for years factor to arrive at correct factor. (Round off to 4 decimals). Note: If normal retirement age differs from sixty-five (65), factors must be supplied by Actuary.

(f) Other Annuity Forms. Conversion factors for other annuity forms shall be computed by an enrolled Actuary on an actuarially equivalent basis assuming that the Participant is retiring at age sixty-five (65) and using the RP 2000 Mortality Table set forward two (2) years for males and one (1) year for females and with interest of seven and seventy-five one hundredths percent (7.75%), regardless of the actual age and sex of any Participant or Beneficiary. If appropriate, such factors may vary by the difference between the Participant's age and the beneficiary's age. The value of Retirement benefits received by a Participant for purposes of Section 6.06 shall be determined using the RP 2000 Mortality Table set forward two (2) years for males and one (1) year for females and with interest of seven and seventy-five one hundredths percent (7.75%). Notwithstanding the foregoing, the UP 1984 Mortality Table without age setback and with interest of eight percent (8.0%) was applied for the purpose of computing other annuity forms and calculating the value of Retirement benefits received by a Participant for purposes of Section 6.06 on or after January 1, 2013 and prior to September 26, 2014.

(g) Lump Sum Payments. Effective January 1, 2001, a single sum distribution of benefits payable under Section 7.05, or upon plan termination, or if required for compliance with Code Section 401(a)(9), shall be computed on the basis of the actual age of the Participant and/or Beneficiary at the time of distribution and under the following actuarial assumptions:

(1) Interest: The applicable interest rate established by the Internal Revenue Service under Code Section 417(e)(3) and accompanying regulations, without regard to updates under the Pension Protection Act of 2006, as in effect for the month of September preceding the calendar year during which the distribution is paid.

(2) Mortality: The applicable mortality table established by the Internal Revenue Service pursuant to IRC Section 417(e)(3) and accompanying regulations, without regard to updates under the Pension Protection Act of 2006.

(3) Age at Which Payments Begin: The greater of the Normal Retirement Date or the age at the time of distribution to the Participant and/or Beneficiary.