



**GENESEE COUNTY EMPLOYEES' RETIREMENT SYSTEM  
RETIREMENT ORDINANCE**

**AS OF  
DECEMBER 31, 2012\***

\*Includes all Ordinance amendments through #2012-02

**GENESEE COUNTY EMPLOYEES'  
RETIREMENT SYSTEM ORDINANCE**

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## ORDINANCE

### System:

#### Section 1.

The Genesee County Employees' Retirement System heretofore established under the authority of Section 12a of Act No. 156 of the Public Acts of 1851, as amended, is hereby continued for the purpose of providing retirement and survivor benefits for the Employees of Genesee County and of its several offices, boards, and departments, including the officers and Employees of the Board of County Roads Commissioners. This Ordinance shall be officially known and may be referred to as the Genesee County Employees' Retirement System Ordinance ("the Ordinance").

### Definitions:

#### Section 2.

The following words and phrases when capitalized in this Ordinance, shall have the following meanings, unless a different meaning is clearly required by the context:

- (a) "County" means Genesee County, State of Michigan, and shall include its several offices, Boards and Departments.
- (b) "Retirement System" or "System" means the Genesee County Employees' Retirement System.
- (c) "Employer" means Genesee County or any city, township, or village, or, pursuant to the authority of amendatory Act Number 200 of the Public Acts of 1979, any political subdivision or other governmental instrumentality created pursuant to state or local law, which enters into an agreement with the County to include its eligible Employees and officials, elected or appointed, in the membership of the Retirement System pursuant to the authority of Act Number 137 of the Public Acts of 1967 as amended, Michigan Compiled Laws Section 38.691.
- (d) "Agreement Date" means the effective date of the agreement between an Employer and the County to include the eligible Employees and officials of the Employer in the membership of the Retirement System. The Agreement Date for Genesee County is December 31, 1945.
- (e) "Retirement Commission" or "Commission" means the Retirement Commission provided for in this Ordinance.
- (f) "Employee" means any Person who is in the employ of the Employer and who is paid by the Employer more than 50 percent (50%) of all Compensation received by him for Services rendered by him to all government units. Members of the County Board of Commissioners, the Judges of the Seventh Judicial Circuit, and the Judges of the 67th District Court are exempted from the 50 percent (50%) exclusion under this Ordinance and may participate to the extent of their County salary. The County Juvenile Officers and Assistant County Juvenile Officers are exempted from the 50 percent (50%) exclusion under this Ordinance and may participate to the extent of their County salary and their Credited Service shall be based on a percentage of time charged to the County. This percentage shall be the same percentage as that portion of their total salary which they derive from the County.
- (g) "Member" means any person who is included in the membership of the Retirement System.
- (h) "Retirant" means any Member who retires with a Retirement Allowance payable by the Retirement System.
- (i) "Beneficiary" means any Person, except a Retirant who is in receipt of, or who is designated to receive, a Retirement Allowance, Pension, or other benefit, payable by the Retirement System.

- (j) "Service" means personal service rendered to an Employer by an Employee of the Employer for which contributions have been made to the Retirement System, except as otherwise provided for by collective bargaining agreements or personnel policy.
- (k) "Credited Service" means the Service credited a Member as provided in this Ordinance.
- (l) "Regular Interest" means such rate or rates of interest per annum, compounded annually, as the Retirement Commission shall from time to time adopt.
- (m) "Accumulated Contributions" means the sum of all amounts deducted from the Compensation of a Member and credited to his individual account in the Employees' Savings Fund, together with Regular Interest thereon.
- (n) "Compensation" means the remuneration earned by a Member for Service performed as an Employee. If part of a Member's remuneration is not paid in money, the Commission shall fix the value of that part of the remuneration not paid in money. Compensation includes longevity pay, overtime pay, pay for cost of living allowance, stand by time, union time, bereavement leave, jury duty, personal time, military leave, court time, used compensatory time, business days, vacation pay, holiday pay, and items of deferred compensation, exclusive of Employer contributions to the Retirement System. Compensation also includes sick leave benefits, worker's disability compensation payments (weekly payments only) and layoff benefits, contingent upon the contributions as specified in Section 19(b). As to General County Members who are not members of unions, however, Compensation does not include overtime pay for work performed on or after October 3, 2009. Effective January 1, 2012, as to Sanitary Sewers Members who are not Members of unions, however, Compensation does not include overtime and on-call time for work performed on or after January 1, 2012. Compensation does not include payments for unused sick leave, unused vacation leave, unused compensatory time, unused personal time, unused business days, unused holiday pay, hospitalization insurance and life insurance premiums, other fringe benefits paid by and from the funds of Employers, and any amounts of judicial salary standardization payments added to judges final Compensation for Retirement as payable under the Judges' Retirement Act. Effective January 1, 1995, Compensation in excess of the annual Compensation limitations provided in Internal Revenue Code Section 401(a)(17) shall be disregarded, subject to the following: (1) for "Eligible Members", annual Compensation shall not be less than the amount which was allowed to be taken into account under the Ordinance as in effect on July 1, 1993. For purposes of this section, an eligible Member is an individual who first became a Member of the Retirement System before the first plan year beginning after December 31, 1995. (2) Notwithstanding (1) above, for plan years beginning on or after January 1, 1996, the annual Compensation of any Member who is not an eligible Member shall be disregarded to the extent that it exceeds \$150,000, or such other cost-of-living adjusted amount as is set by the Secretary of the Treasury. If, as a result of the application of the family aggregation rules of Internal Revenue Code Section 414(q)(6), such dollar limitation is exceeded, then the limitation shall be prorated among the affected Members in proportion to each such Member's Compensation, as determined under this section prior to the application of this limitation. (3) Notwithstanding (2) above, the annual Compensation of each Employee taken into account in determining benefit accruals in any Retirement System year beginning after December 31, 2001 shall not exceed \$200,000. Annual Compensation means Compensation during the calendar year or such other consecutive 12-month period over which Compensation is otherwise determined under this Ordinance (the determination period). In determining benefit accruals in years beginning after December 31, 2001, the annual Compensation limit for Employees who are not eligible Members for determination periods beginning before January 1, 2002 shall be \$150,000 for any determination period beginning in 1996 or earlier; \$160,000 for any determination period beginning in 1997, 1998, or 1999; and \$170,000 for any determination period beginning in 2000 or 2001. The \$200,000 limit on annual Compensation shall be adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the determination period that begins with or within such calendar year.
- (o) "Final Average Compensation"

- (1) "Final Average Compensation" with respect to an Employee Member employed by the District Library, means the annual average Compensation received by the Employee during any five (5) of the Employee's years of Credited Service which produces the highest average and is contained within the Employee's ten years of Credited Service immediately preceding the date of the Employee's employment with the Employer last terminates. If the Employee has less than five (5) years of Credited Service, the Employee's Final Average Compensation shall be the annual average of the Employee's Compensation for the Employee's total period of Credited Service. Effective June 1, 2004, "Final Average Compensation" with respect to non-union Directors employed by the District Library means the annual average Compensation received by the non-union Director during any two (2) of the Director's years of Credited Service which produces the highest average and is contained within the Director's ten years of Credited Service immediately preceding the date of the Director's employment with the Employer last terminated. If the Director has less than five (5) years of Credited Service, the Director's Final Average Compensation shall be the annual average of the Director's Compensation for the Director's total period of Credited Service.
- (2) "Final Average Compensation" with respect to a Member who is a Probate Judge who also is a member of the Michigan Probate Judges Retirement System, being the System provided for in Act No. 165 of the Public Acts of 1954, as amended, Michigan Compiled Laws 38.901 et seq., means the annual average of the Compensation received during any five (5) of the Member's years of Credited Service which produces the highest average Compensation preceding the date employment with the Employer last terminates. If the Member has less than five (5) years of Credited Service, the Member's Final Average Compensation shall be the annual average of the Member's Compensation for the Member's total period of Credited Service. The previous provisions of this subsection notwithstanding, if the limitation provided in paragraph (c) of subsection (1) of section 16 of Act No. 165 of the Public Acts of 1954, as amended, being Michigan Compiled Laws 38.916(1)(c), is held invalid by a final unappealed decision of a court of competent jurisdictions, "Final Average Compensation" for a Probate Judge who is a member of the Michigan Probate Judges Retirement System and who has served for any time subsequent to July 11, 1989, shall, as of that judge's Retirement, be the same as that provided in subsection 2(o)(3) of this Ordinance below for other judges who have served for any time subsequent to July 11, 1989. "Serving," within the meaning of this and other provisions of this Ordinance relating to Judges who have served for any time subsequent to July 11, 1989, does not include post-retirement sitting by special designation or assignment.
- (3) "Final Average Compensation" with respect to Circuit Judges, Probate Judges who are members of the State Judges Retirement System, being the System provided for in Act No. 198 of the Public Acts of 1951, as amended, Michigan Compiled Laws 38.801 et seq., and District Court Judges, who, as to all such classifications of judges, have Service for any time subsequent to July 11, 1989, means the annual average of the Employee's three (3) years of Credited Service which produces the highest average Compensation. If the Employee has less than the required years of Credited Service, the Employee's Final Average Compensation shall be the annual average of the Employee's Compensation for the Employee's total period of Credited Service. For purposes of Section 12A(22) and (23) of Act No. 156 of the Public Acts of 1851, as amended {MCL 46.12A, Subsections (22) and (23); MSA 5.333(1), Subsections (22) and (23)}, the Final Average Compensation for a Member who is a judge of the Circuit, District, or Probate Court at the time of the Member's retirement from the Michigan Judges' Retirement System shall be determined by using only Compensation received during the Member's years of Credited Service as a judge.
- (4) "Final Average Compensation" with respect to a Genesee County Member, Genesee County Road Commission Member, Sanitary Sewer Member, City of Mt. Morris Member, or a Genesee County Community Mental Health Service Member, who is a member of a

union, is as defined in the Applicable Union Contract.

- (5) [REPEAL AND RESERVE.]
- (6) "Final Average Compensation" with respect to a City of Mt. Morris Member or a Genesee County Community Mental Health Services Member who is not a member of an Employee labor organization means the annual average of the Compensation received during any three (3) of the Member's years of Credited Service which produces the highest average Compensation.
- (7) [REPEAL AND RESERVE.]
- (8) "Final Average Compensation" with respect to a member of the Genesee County Board of Road Commissioners or an exempt Employee of the Road Commission means, effective January 1, 1990, the annual average of the Compensation received during any of the Member's three (3) years of Credited Service which produces the highest average Compensation. If the Member has less than the required years of Credited Service, the Member's Final Average Compensation shall be the annual average of the Member's Compensation for the Member's total period of Credited Service.
- (9) "Final Average Compensation" with respect to non-union Sanitary Sewers Employees means the average of the Compensation received by the Employee during any three of the Employee's years of Credited Service which produces the highest average Compensation. Effective July 1, 2002, "Final Average Compensation" with respect to Water and Waste Services (Sanitary Sewers) non-union Employees means the average of the Compensation received by the Employee during any two of the Employee's years of Credited Service which produces the highest average Compensation. Effective July 1, 2006, "Final Average Compensation" with respect to a non-union Employee of Sanitary Sewers who was hired on or after January 1, 2006 shall be the average of the Compensation received by the Employee during the three highest of the last five years of Compensation preceding Retirement.
- (10) [REPEAL AND RESERVE.]
- (11) [REPEAL AND RESERVE.]
- (12) "Final Average Compensation" with respect to General County Members, including members of the County Board of Commissioners, and except members of County Employee labor organizations ("unions"), means the annual average of the Employee's three (3) years of Credited Service which produces the highest average Compensation. If the Employee has less than the required years of Credited Service, the Employee's Final Average Compensation shall be the annual average of the Employee's Compensation for the Employee's total period of Credited Service. However, "Final Average Compensation" with respect to a General County Employee Member, who is neither a member of a County Employee labor organization, nor a holder of elective office, and who retires after July 1, 1996, means the annual average of the Member's two (2) years of Credited Service which produces the highest average Compensation. If such Member has less than the required years of Credited Service, the Member's Final Average Compensation shall be the annual average of the Member's Compensation for the Member's total period of Credited Service. Effective January 1, 1997 at 12:00 noon, "Final Average Compensation" with respect to a General County Employee Member, who is a holder of elective office, and who retires after said date and time, means the annual average of the Member's two (2) years of Credited Service which produces the highest average Compensation, and if such Member has less than the required years of Credited Service, the Member's Final Average Compensation shall be the annual average of the Member's Compensation for the Member's total period of Credited Service.

(p) "Employee Pension" or "Annuity" means an annual amount, derived from a Member's



Accumulated Contributions, payable in monthly installments throughout the future life of a Person, or for a temporary period, as provided in this Ordinance.

- (q) "Employer's Pension" or "Pension" means an annual amount, derived from money provided by an Employer, payable in monthly installments throughout the future life of a Person, or for a temporary period, as provided in this Ordinance.
- (r) "Retirement Allowance" means the sum of the Annuity and Pension payable to a Retirant or Beneficiary.
- (s) "Retirement" means a Member's withdrawal from the employ of all Employers with a Retirement Allowance payable by the Retirement System.
- (t) "Annuity Reserve" means the present value of all payments to be made on account of any Annuity, and shall be computed upon the basis of such mortality and other experience tables, and Regular Interest as the Retirement Commission shall from time to time adopt.
- (u) "Pension Reserve" means the present value of all payments to be made on account of any Pension, and shall be computed upon the basis of such mortality and other experience tables, and Regular Interest as the Retirement Commission shall from time to time adopt.
- (v) "Worker's Compensation Period" means the period a Member, Retirant, or Beneficiary, is in receipt of weekly worker's compensation on account of a Member's disability or death arising out of and in the course of his employment with an Employer. If he is paid a single sum in lieu of weekly worker's compensation his "Worker's Compensation Period" shall be the period, if any, he was in receipt of weekly worker's compensation plus the period arrived at by dividing the said single sum of his weekly worker's compensation in accordance with the provision of the worker's compensation act in effect at the time of the Member's Retirement or death.
- (w) The masculine gender shall include the female gender, and words of the plural number in relation to persons shall include the singular number, and vice-versa.
- (x) "Applicable Union Contract" means the collective bargaining agreement containing retirement and survivor benefits which is in effect on the date the Member's employment with the Employer last terminates.
- (y) Effective March 28, 2004, which is 180 days after this amendment is finally adopted as part of the Retirement Ordinance, the terms "Person" or "Persons" shall refer to natural persons only. For example, and not by way of limitation, the term "Person" shall not refer to a trust.

Retirement Commission:

Section 3.

The Retirement Commission heretofore established is hereby continued. The general administration, management and responsibility for the proper operation of the Retirement System and for construing and making effective the provisions of this Ordinance are vested in the Retirement Commission.

Commissioners:

Section 4.

The Retirement Commission shall consist of nine Commissioners, as follows:

- (a) The ex-officio Commissioners shall be:
  - (1) The Chairperson of the Board of Commissioners or another County Commissioner designated by the Chairperson to serve at his pleasure as his designee during the

Chairperson's term or until the Chairperson earlier revokes the designation

(2) The Chairperson of the Finance Committee

(3) The Chairperson of the Board of County Road Commissioners or another member of the Board of County Road Commissioners designated by the Chairperson of the Board of County Road Commissioners to serve at his/her pleasure as his/her designee during the Chairperson of the Board of County Road Commissioner's term or until the Chairperson of the Board of County Road Commissioners earlier revokes the designation.

(4) The Executive Director of Community Mental Health Services

(5) The County Controller

(b) Three (3) Employee Commissioners shall be: Three Members of the Retirement System, to be elected by the Members of the Retirement System. No more than one such Employee Commissioner shall be from any one County office, board, or department; or from any one Employer except the County.

(c) One (1) Retirant of the Genesee County Employees' Retirement System: The Retirant shall be elected by the retirees of the Genesee County Employees' Retirement System.

Election of Employee Commissioners:

Section 5.

(a) The elections of the Employee Commissioners provided for in Section 4(b) shall be held in accordance with such rules and regulations as shall from time to time be adopted by the Retirement Commission.

(b) The election of the Retirant member of the Retirement Commission as provided for in Section 4(c) shall be held in accordance with such rules and regulations as shall from time to time be adopted by the Retirement Commission.

Commissioner's Term of Office:

Section 6.

(a) The regular term of office for the position of Commissioner for the Employee Commissioners shall be three (3) years.

(b) The regular term of office of the Retirant member of the Commission shall be two (2) years.

Commissioner's Oath of Office:

Section 7.

An oath of office shall be administered to each Commissioner prior to their assumption of duties with the Retirement Commission. This oath will be administered by the County Clerk at the first meeting of the Employee Commissioner's term.

Vacancy on Retirement Commission - Filling Vacancy

Section 8.

(a) Except for the position of the Retirant member of the Commission, a vacancy shall occur in the position of Commissioner upon the separation of any Commissioner from Employer employment.

If a Commissioner fails to attend three (3) consecutive meetings of the Commission, without prior notification, unless excused for cause by the Commissioners attending such meetings, he shall be considered to have resigned from the Commission and the Commission shall by resolution declare the office vacated as of the date of adoption of such resolution.

- (b) If a vacancy occurs in the position of Commissioner, through separation from Employer employment or for other reason, the vacancy shall be filled within 90 days after the date of the vacancy, for the unexpired portion of the term, in the same manner as the position was previously filled.

Compensation for Commissioners:

Section 9.

- (a) The Employee Commissioners and County Controller shall serve without Compensation for their service as Commissioners. Ex-officio members except for the County Controller may receive a per diem allowance for attending Retirement Commission meetings if established by their governmental regulatory agency. All Commissioners shall be entitled to their expenses actually and necessarily incurred in attending meetings of the Retirement Commission and in performing required service as Commissioners.
- (b) The Retirant member of the Commission may receive a per diem allowance for attending Retirement Commission meetings and subcommittee meetings and may also receive a mileage allowance of up to 100 miles per meeting attended.

Commission Meetings:

Section 10.

The Retirement Commission shall hold meetings regularly, at least one in each calendar month, and shall designate the time and place thereof. All meetings of the Commission shall be public. The Commission shall adopt its own rules of procedure and shall keep a record of its proceedings.

Quorum - Voting:

Section 11.

Each attending Commissioner shall be entitled to one vote on each question before the Commission. Five attending Commissioners shall constitute a quorum at any meeting of the Commission and at least five concurring votes shall be necessary for a decision by the Commissioners at any meeting of the Commission.

Officers of Retirement System - Employment of Services:

Section 12.

- (a) The Retirement Commission shall elect from its members a chairman and a vice-chairman.
- (b) The County Human Resources Director shall be secretary to the Commission and he shall be the administrative officer of the Retirement System. The Commission may retain Genesee County to provide, through staff of the County's Human Resources Department, general administrative activities of the Retirement System. The compensation for those general administrative services, which may involve, but is not required to involve, a percentage of the costs of the personnel performing them, and the job description of those performing the services, must be approved by the Commission.
- (c) The County Treasurer shall be treasurer of the Retirement System and he shall be custodian of its assets.

- (d) The County Corporation Counsel may be the legal advisor of the Commission, or the Commission may, pursuant to subsection 12(g) of this Ordinance, direct the secretary to employ an attorney other than County Corporation Counsel to advise or represent the Commission.
- (e) The Retirement Commission shall appoint an actuary who is a member of the American Academy of Actuaries. He shall be the technical advisor to the Commission on matters regarding the operation of the Retirement System; and he shall perform such other services as are required of him in this Ordinance.
- (f) The Retirement Commission shall appoint as medical director a physician who is not eligible to participate in the Retirement System as a Member or as a Beneficiary. He shall be directly responsible to and shall hold office at the pleasure of the Retirement Commission; he shall arrange for and pass upon all medical examinations required under the provisions of this Ordinance; he shall investigate all essential statements and certificates of a medical nature by or on behalf of a Member, or other claimant, in connection with an application for benefits under the provisions of this Ordinance; and he shall report in writing to the Commission his conclusions and recommendations on medical matters referred to him by the Commission.
- (g) The secretary shall have the authority to employ such other professional and clerical services, and to purchase such equipment and supplies, as are required for the proper operation of the System, subject to approval of the Commission. Such services, except actuarial and medical, shall be engaged and compensated in the same manner that similar services are engaged and compensated by other departments of the County.

Records for Actuarial Valuation:

Section 13.

The Retirement Commission shall keep up or cause to be kept such data as shall be recommended by the actuary as necessary for an actuarial valuation of assets and liabilities of the Retirement System.

Adoption of Tables and Regular Interest:

Section 14.

The Retirement Commission shall from time to time adopt such mortality and other tables of experience, and a rate or rates of Regular Interest, as are necessary in the proper operation of the Retirement System on an actuarial reserve basis. For purposes of adjusting any benefit or limitation under Internal Revenue Code Section 415, the mortality table used shall be the table prescribed by the United States Secretary of the Treasury.

Report to Board of Commissioners:

Section 15.

The Commission shall annually, but not later than May 1st of each year, render a report to the County Board of Commissioners showing the financial condition of the System as of the preceding December 31st. Such report shall contain, but shall not be limited to, a financial balance sheet, a statement of income and disbursements, a detailed actuarial balance sheet prepared by means of the last valuation of the System, and such other data as the Commission shall deem necessary or desirable for the proper understanding of the System.

Membership of Retirement System:

Section 16.

- (a) All Persons who are Employees of an Employer, and all Persons who become Employees of an Employer, shall become Members of the Retirement System, except as provided in subsection (b) of this section.
- (b) The membership of the Retirement System shall not include (1) any person who is engaged for special services on a contract or fee basis, nor (2) the actuary, nor (3) the medical director, nor (4) any Employee who is included by law as an active member of any other retirement system, except the federal social security old-age, survivor, disability and health insurance program, by reason of the Compensation paid him by an Employer.
- (c) Members of the Retirement System are designated as belonging to one of the following groups of Employees:

- Genesee County
- Road Commission
- Sanitary Sewers (also denominated as Water and Waste Services)
- Community Mental Health
- City of Mt. Morris
- Genesee District Library Authority

The amount of benefit applicable to a Member who has Credited Service in force acquired under more than one benefit classification shall be computed using the Credited Service acquired under each benefit classification and provisions applicable to the classifications. A provision is applicable to all benefit classifications except as specifically limited. For purposes of this subsection, a specific reference in this Ordinance to a judge or judges of the Circuit, District, or Probate Court, respectively, is intended as a delineation of a separate benefit classification, or classifications, as the case may be.

- (d) In any case of doubt, the Retirement Commission shall decide who is a Member of the Retirement System, to which group of Employees a Member belongs, and under which benefit classification or classifications a Member has acquired Credited Service.

Membership Terminates:

Section 17.

Except as otherwise provided in this Ordinance, should any Member leave the Employ of an Employer, for any reason except his Retirement or death, he shall thereupon cease to be a Member and his Credited Service at that time shall be forfeited by him.

In the event he is reemployed by an Employer, he shall again become a Member of the Retirement System. Upon reemployment his Credited Service last forfeited by him shall be restored to his credit upon his repayment of monies as specified in Section 21 of this Ordinance. Application by the Employee for restoration of such Credited Service last forfeited shall be made within the period of twelve months commencing on the date of rehire. Upon Retirement or death of a Member, he shall thereupon cease to be a Member.

Other Governmental Service Credit:

Section 18.

Upon the request of a Member of this Retirement System, who is a member of a collective bargaining unit which has bargained for and been granted this benefit by an Employer participant of this Retirement System, provided that if said bargaining unit is one that represents General County Employees, said unit's collective bargaining agreement has been approved by a 3/5 affirmative vote of the Genesee County Board of Commissioners; or who is a Member of this Retirement System, is not a member of a collective bargaining unit; and is not a Member of this System by virtue of employment with the Genesee District Library, such Member shall be credited with the amount of government service resulting from employment

with the United States government, except military service, a state, or any of their political subdivisions, in addition to such credit for the Service with the County as to which the Member is otherwise entitled under this Ordinance, under the following conditions:

- (a) Employment by the Employer participant occurred within fifteen (15) years following the Member's separation from service of the last unit of government by which the Member was employed, and the Member is currently actively employed with an Employer participant of this Retirement System. However, the fifteen (15) year condition is eliminated for a General County Employee who is not a member of a County collective bargaining unit (union), including but not limited to an appointed official or officer, or a holder of elective office, upon approval of this Ordinance amendment by the State of Michigan's County Pension Plan Committee. However, effective April 29, 2008, the fifteen (15) years condition is eliminated for a Community Mental Health Employee who is not a member of a county collective bargaining unit (union). However, effective January 1, 2012, the fifteen (15) year condition is eliminated for a Sanitary Sewers Employee who is not a member of a County collective bargaining unit (union).
- (b) Service rendered before the last break in governmental service of more than fifteen (15) years shall not be credited. However, the fifteen (15) year condition is eliminated for a General County Employee who is not a member of a County collective bargaining unit (union), including but not limited to an appointed official or officer, or a holder of elective office, upon approval of this Ordinance amendment by the State of Michigan's County Pension Plan Committee. However, effective April 29, 2008, the fifteen (15) year condition is eliminated for a Community Mental Health Employee who is not a member of a county collective bargaining unit (union).
- (c) Service which is recognized for the purpose of a deferred retirement allowance under a retirement system or other employer-funded retirement benefit plan, except for a retirement benefit plan under the Social Security Act, 42, U.S.C. 301 to 1397f, of the United States government, a state, or a political subdivision of a state shall not be credited if the Member retired under a retirement system of the United States government, a state, or any of their political subdivisions or, if the Member has not yet so retired, until the Member irrevocably forfeits the right to the deferred retirement allowance; provided, however, that judges may receive credit for years for which, as judges, they simultaneously were Members of both a local government system, plan or program and the state retirement system, plan or program, and may receive such credit on the basis of the contributions which related to their local government membership, provided further that they have not retired under and have irrevocably forfeited their rights under said local system, plan, or program.
- (d) The Member deposits in the Retirement System an amount equal to the aggregate amount of contributions the Member would have made had the service been acquired in the employ of the Employer participant of this Retirement System, plus interest from the dates the contributions would have been made to the date of deposit, at rates determined by the Retirement Commission. If records are insufficient or unavailable to compute the exact amount of required deposit, the Retirement Commission may estimate the amount.
- (e) The Member has 8 or more years of Credited Service in employment with Employer participant, has legal vesting in the Genesee County Employees' Retirement System, and deposits in the said Genesee County Employees' Retirement System an amount equal to the aggregate amount of contributions the Employer participant would have made had the government service being credited under this section been acquired in the employ of the County. However, the requirement of this subsection of eight (8) or more years of Credited Service is reduced to five (5) or more years of Credited Service and the legal vesting requirement of this subsection is eliminated for a General County Employee who is not a member of a County collective bargaining unit (union), including but not limited to an appointed official or officer, or a holder of elective office, upon approval of this Ordinance amendment by the State of Michigan's County Pension Plan Committee. Effective July 1, 2006, a non-union Employee of Sanitary Sewers with three (3) years of Credited Service shall be eligible to purchase service credit pursuant to this section. The required eight (8) year legal vesting and the maximum purchase limitation for purchases of this subsection for Employees who are members of a union is as stated in the Applicable Union

Contract.

- (f) Service credit will be determined by the full time employment status as documented by the former governmental unit or by hours worked if prior employment was part-time. In no case shall more than one year of Service be credited any Member for all Service rendered by him in any calendar year.

Any Member may timely appeal any decision by the Genesee County Employees' Retirement Commission, regarding the Member's benefits under this Section, to the Genesee County Board of County Commissioners for a new hearing (de novo).

Service Credits:

Section 19.

- (a) The Service rendered by a Member shall be credited him by the Retirement Commission in accordance with such rules and regulations, consistent with the provisions of this Ordinance, as the Commission shall from time to time adopt. Service credit will be determined by the full time employment status as documented by the governmental unit or by hours worked if employment was part-time. In no case shall more than one year of Service be credited any Member for all Service rendered by him in any calendar year.
- (b) Retirement Service credit shall be credited to a Member for the period that the Member received sick leave benefits, worker's disability compensation payments (weekly payments only) and layoff benefits, contingent upon the Member's contribution within twelve months of return from leave or layoff of the percentage (as specified in Section 38) of the benefit received.

Military Service Credit:

Section 20.

- (a) [REPEAL AND RESERVE.]
- (b) Upon the request of a Member of this Retirement System, who is currently actively employed with an Employer participant of this Retirement System, who has no Service with an Employer participant of this Retirement System previously to the commencement of the current employment and who:
  - (1) Entered the armed service of the United States before June 1, 1980, and is a member of a collective bargaining unit which has bargained for and been granted this benefit by an Employer participant of this Retirement System, provided that if said bargaining unit is one that represents General County Employees, said unit's collective bargaining agreement has been approved by a 3/5 affirmative vote of the Genesee County Board of Commissioners; or
  - (2) Entered the armed service of the United States before June 1, 1980, is not a member of a collective bargaining unit and is not a Member of this Retirement System by virtue of employment with the Genesee District Library; or
  - (3) Entered the armed service of the United States on or after June 1, 1980 during a time of war or emergency conditions as defined in Section 1 of Act No. 190 or the Public Acts of 1965, as amended, being Section 35.61 of the Michigan Compiled Laws, and who is also a member of a collective bargaining unit which has bargained for and been granted this benefit by an Employer participant of this Retirement System, provided that if said bargaining unit is one that represents General County Employees, said unit's collective bargaining agreement has been approved by a 3/5 affirmative vote of the Genesee County Board of Commissioners; or

- (4) Entered the armed service of the United States on or after June 1, 1980 during a time of war or emergency conditions as defined in Section 1 of Act No. 190 of the Public Acts of 1965 as amended, being Section 35.61 of the Michigan Compiled Laws, is not a member of a collective bargaining unit and is not a Member of this System by virtue of employment with the Genesee District Library.

Said Member shall receive Service credit towards Retirement for not more than 5 years of active military service upon payment to the Retirement System of an amount equal to 5% of the Member's full-time or equated full-time annual Compensation for the year in which payment is made multiplied by the number of years, and fraction of a year, of Credited Service that the Member elects to purchase up to the maximum. Service shall not be credited if the service is or would be credited for the same period under any other federal, state, or local publicly supported retirement system. Service shall not be credited under this subsection until the Member has the number of years of Credited Service needed to vest under this Retirement System. However, the subsection 20 (b) (4) requirement of military service during a time of war or emergency conditions, and the 5-year limitation for military service credit and the vesting requirement of this subsection is eliminated for a General County Employee who is not a member of a County collective bargaining unit (union), including but not limited to an appointed official or officer, or a holder of elective office, and such Employee may purchase military service after completion of five (5) years of Credited Service with Genesee County, upon approval of this Ordinance amendment by the State of Michigan's County Pension Plan Committee. Effective July 1, 2002, the subsection 20 (b)(4) requirement of military service during a time of war or emergency conditions, and the 5 year limitation for military service credit are eliminated, for a Water and Waste Services (Sanitary Sewers) non-union Employee. Effective April 29, 2008, the subsection 20(B)(4) requirement of military services during a time of war or emergency conditions is eliminated for a Community Mental Health non-union Employee. In any case of doubt as to the period to be so credited any Member, the Retirement Commission shall have final power to determine such period. Any Member may timely appeal any decision by the Genesee County Employees' Retirement Commission, regarding the Member's benefits under this section, to the Genesee County Board of County Commissioners.

- (c) Notwithstanding any provision of this Ordinance to the contrary, contributions, benefits and Service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Internal Revenue Code. A Member who is absent from employment with an Employer participant of the Retirement System by reason of service in the uniformed services of the United States shall be entitled to Credited Service for the period or periods of such service, in accordance with Chapter 43 of Title 38 of the United States Code, as amended by Public Law 103-353 (38 USC §4301 et seq.), subject to the following conditions:
  - (1) Prior to entering military service, a Member is required to provide advance written or verbal notice to the Employer unless giving such notice is precluded by military necessity or is otherwise impossible or unreasonable.
  - (2) A Member who enters the armed forces of the United States and thereafter returns to employment with the Employer within ninety (90) days of his or her discharge or within one (1) year from hospitalization continuing after such discharge, shall be credited with Service for a period not to exceed five (5) years unless such service is extended by the government for military necessity.
  - (3) A Member shall be required to provide documentation to establish the timeliness of his or her application for reemployment. A copy of the Member's discharge papers shall be sufficient.
  - (4) The Member pays the Retirement System the amount of Employee contributions the Member would have been required to contribute had the Member remained continuously employed by the Employer throughout the period of service in the uniformed services. Any payment of Employee contributions shall be made during a period equal to three times the period of the Member's service in the uniformed services, not to exceed five (5) years, beginning on the date of the Member's reemployment.



- (5) The Member's Compensation for purposes of determining the required Employee contributions under this subsection shall be computed at the rate the Member would have received but for such period of service, or in the case that the determination of such rate is not reasonably certain, on the basis of the Member's average rate of Compensation during the twelve (12) month period immediately preceding such period of service (or, if shorter, the period of employment immediately preceding such period).
- (6) Armed service credited a Member under subsection (b) shall not be the basis for Credited Service under this subsection.

Repayment of Retirement Withdrawals:

Section 21.

- (a) Upon the request of a Member of this Retirement System, who is on the date of application for this benefit actively employed by an Employer participant of this Retirement System, said Member shall be credited with the amount of membership Service that the Member had previously been credited by, and had later lost credit with, the Retirement System, under the following conditions, if said Member withdrew his Accumulated Contributions prior to December 31, 1982 (the effective date of 1982 PA 507):
  - (1) The Service previously credited to the Member must have been Service rendered for an Employer participant of this Retirement System.
  - (2) Service which is recognized for the purpose of a deferred retirement allowance under another retirement system or other employer-funded retirement benefit plan, except for a retirement benefit plan under the Social Security Act, 42 U.S.C. 301 to 139f of the United States government, a state, or a political subdivision of a state shall not be credited if the Member retired under a retirement system of the United States government, a state, or any of their political subdivisions or, if the Member has not so retired, until the Member irrevocably forfeits the right to deferred retirement allowance; provided, however, that judges may receive credit for years for which, as judges, they simultaneously were Members of both a local government system, plan, or program, and may receive such credit on the basis of contributions which related to their local government membership, provided further that they have not retired under and have irrevocably forfeited their rights under said local system, plan, or program.
  - (3) The Member deposits in the Genesee County Employees' Retirement System an amount equal to the aggregate amount of contributions the Member made at the time of the previous Service plus interest compounded annually from the date of withdrawal of the Accumulated Contributions to the date of deposit, at rates determined by the Retirement Commission. If records are insufficient or unavailable to compute the exact amount of required deposit, the Retirement Commission may estimate the amount.
  - (4) Service credit will be determined by the full time employment status as documented by the governmental unit or by hours worked if employment was part-time. In no case shall more than one year of Service be credited any Member for all Service rendered by him in any calendar year.
- (b) Upon the request of a Member of this Retirement System, who is on the date of application for this benefit currently actively employed by an Employer participant of this Retirement System, said Member shall be credited with the amount of membership Service that the Member had previously been credited with by, and had later lost credit for with, the Retirement System, under the following conditions, if said Member withdrew his Accumulated Contribution on or subsequent to December 31, 1982 (the effective date of 1982 PA 507):
  - (1) The Service previously credited to the Member must have been Service rendered for an Employer participant of this Retirement System.

- (2) Service which is recognized for the purpose of another deferred retirement allowance under a retirement system or other employer-funded retirement benefit plan, except for a retirement benefit plan under the Social Security Act, 42 U.S.C. 301 to 1397f, of the United States government, a state, or a political subdivision of a state shall not be credited if the Member retired under a retirement system of the United States government, a state, or any of their political subdivisions or, if the Member has not so retired, until the Member irrevocably forfeits the right to the deferred retirement allowance; provided, however, that judges may receive credit for years for which, as judges, they simultaneously were Members of both a local government system, plan or program and the state retirement system plan or program, and may receive such credit on the basis of contributions which related to their local government membership, provided further that they have not retired under and have irrevocably forfeited their rights under said local system, plan, or program.
- (3) The Member deposits in the Genesee County Employees' Retirement System an amount equal to the aggregate amount of contributions the Member made at the time of the previous Service plus interest compounded annually from the date of withdrawal of the Accumulated Contributions to the date of deposit, at rates determined by the Retirement Commission. If records are insufficient or unavailable to compute the exact amount of required deposit, the Retirement Commission may estimate the amount.
- (4) The Member deposits in the Genesee County Employees' Retirement System an amount equal to the aggregate amount of contributions the Employer participant made at the time of the previous Service plus interest compounded annually from the date of separation to the date of deposit, at rates determined by the Retirement Commission. Service credit will be determined by the full time employment status as documented by the governmental unit or by hours worked if employment was part-time. In no case shall more than one year of Service be credited any Member for all Service rendered by him in any calendar year.

Voluntary Retirement:

Section 22.

- (a) A Member may retire if he has attained the age and acquired the Credited Service applicable to his benefit classification. Written application for Retirement shall be filed with the Commission, not less than 30 days nor more than 90 days, prior to the date he desires to retire. Upon a Member's Retirement he shall be paid a Retirement Allowance provided in Section 25.
- (b) The age and Credited Service requirements for voluntary Retirements are as follows:
  - (1) General County; City of Mt. Morris; Community Mental Health benefit classifications; and Genesee District Library Authority benefit classifications, (i) any age and 25 or more years of Credited Service; or (ii) age 60 years or older and 8 or more years of Credited Service; or (iii) effective January 1, 1990, General County elected officials, department heads, exempt Employees and other non-union Employees, if employed prior to January 1, 1990, may retire at any age and 23 or more years of Credited Service; or (iv) effective January 1, 1993, General County Employee Members who are appointed officials or appointed officers (except holders of elective office, which exception shall terminate effective January 1, 1995 for said holders of elective office other than the Chairperson and other members of the Board of County Commissioners, and which exception shall terminate effective upon commencement of the 1995-96 term of office on January 1, 1995 for the Chairperson and other members of the Board of County Commissioners), and exempt Employees, and non-union classified Employees, may retire at any age and 23 or more years of Credited Service. However, effective November 16, 1993, Members who are Employees of Community Mental Health Services who are members of Teamsters Union Local 214, or are not members of any collective bargaining unit, may retire at any age and

23 or more years of Credited Service. Effective January 1, 2001, Members who are non-union Employees of the Genesee District Library Authority, who have less than twenty-five years of Credited Service and who were hired on or after July 1, 1995 shall be eligible to retire at sixty (60) years of age or older, with a minimum of twelve (12) years of Credited Service. Effective April 29, 2008, Members who are non-union Employees of the City of Mt. Morris may retire at any age and 22 or more years of Credited Service. However, the age and Credited Service requirement for an Employee of any of said Employers, who is a member of a union, shall be as is stated in the Applicable Union Contract.

- (2) [REPEAL AND RESERVE.]
- (3) Members of the following benefit classifications of the Genesee County Road Commission:
  - (a) Local 496 Chapter 04 affiliated with Council 25 of AFSCME, and Service Employees International Union Local 517M, and exempt and non-union Employees, (i) any age and 25 or more years of Credited Service; or (ii) age 60 years or older and 8 or more years of Credited Service; or (iii) age 55 years or older and vested with required number years of Credited Service; or effective June 30, 1998, Employees who are members of said Local 496, any age and 23 or more years of Credited Service.
  - (b) Board of County Road Commissioners of the County of Genesee, and Genesee County Road Commission Supervisors Association, (i) any age and 25 or more years of Credited Service; or (ii) age 60 years or older and 8 or more years of Credited Service.
- (4) Probate Court Judges, (i) any age and 25 or more years of Credited Service; or (ii) age 55 years or older and vested with required years of Credited Service; (iii) effective January 1, 1990, any age and 23 or more years of Credited Service.
- (5) Members of Sanitary Sewers, (i) any age and 23 or more years of Credited Service or age sixty years or older and eight (8) or more years of Credited Service; (ii) effective July 1, 2006, non-union Members hired prior to January 1, 2006, any age and 23 or more years of Credited Service; or age sixty (60) years or older and ten (10) or more years of Credited Service, or (iii) effective July 1, 2006, non-union Members hired on or after January 1, 2006, twenty-three (23) or more years of Credited Service and age fifty-five (55); or age sixty (60) or older and ten (10) or more years of Credited Service.

After eight (8) years of Credited Service, an Employee's participation in the Retirement System is considered to be vested. Effective July 1, 2006 vesting for a non-union Employee of Sanitary Sewers shall be ten (10) years of Credited Service, and an Employee with more than eight (8) years of Credited Service and less than ten (10) years of Credited Service as of March 31, 2006 shall retain vesting rights at eight (8) years of Credited Service. An Employee of Sanitary Sewers who is a member of a union shall be entitled to vesting as is stated in the Applicable Union Contract.

Normal Retirement:

Section 23. [REPEAL AND RESERVE. Note: Text deleted June 15, 1993.]

Extensions in Employment:

Section 24. [REPEAL AND RESERVE. Note: Text deleted June 15, 1993.]

Retirement Allowance:

Section 25.

(a) Upon Retirement as provided in this Ordinance, a Member or former Member shall be paid a straight life Retirement Allowance terminating upon death; or the Member or former Member may elect, prior to the date of his Retirement, to be paid a Retirement Allowance under an optional form of payment provided in Section 27 in lieu of a straight life Retirement Allowance. The amount of a Member's straight life Retirement Allowance, subject to the limitations described below in subsection (e), shall be computed as follows:

- (1) Judges who are members of the Michigan Probate Judges' Retirement System, System Members who are members of Genesee District Library Authority, and City of Mt. Morris - 2.0% of the Member's Final Average Compensation multiplied by his Credited Service to a maximum of 25 years, plus 1.0% of his Final Average Compensation multiplied by the portion, if any, of his Credited Service, in excess of 25 years. The Pension portion of the straight life Retirement Allowance shall not exceed 60% of the Member's Final Average Compensation and shall not be subject to subsection (b). Effective January 1, 1992, the percentage of Final Average Compensation to be multiplied by Credited Service to a maximum of 25 years for Sanitary Sewers Members shall be 2.4%, and the Pension portion of the straight life Retirement Allowance shall not exceed 75% of the Members Final Average Compensation and shall not be subject to subsection (b). Effective January 10, 1994, the percentage of Final Average Compensation to be multiplied by Credited Service for non-union Employees of the City of Mt. Morris shall be 2.0% for such Employees who retire prior to attainment of 25 years of Credited Service, and shall be 2.2% for such Employees who retire with 25 years of Credited Service plus 1.0% of such Employee's Final Average Compensation multiplied by the portion, if any, of the Employee's Credited Service in excess of 25 years, and the Pension portion of the straight life Retirement Allowance shall not exceed 75% of such Member's Final Average Compensation and shall not be subject to subsection (b). Effective July 1, 1996, the percentage of Final Average Compensation to be multiplied by Credited Service for non-union Employees of the City of Mt. Morris shall be 2.2% for such Employees who retire prior to attainment of 25 years of Credited Service, and shall be 2.4% for such Employees who retire with 25 years of Credited Service, plus 1% of such Employees Final Average Compensation multiplied by the portion, if any, of the Employee's Credited Service in excess of 25 years, and the Pension portion of the straight life Retirement Allowance shall not exceed 65% of such Member's Final Average Compensation and shall not be subject to subsection (b). Effective December 31, 2002, the percentage of Final Average Compensation to be multiplied by Credited Service for non-union Employees of the City of Mt. Morris shall be 2.5% of the Employee's Final Average Compensation multiplied by all years of the Employee's Credited Service, provided, however, that in no event shall the Employer financed Pension portion of the straight life Retirement Allowance exceed 75% of the Employee's Final Average Compensation and shall not be subject to subsection (b). Effective July 1, 1998, the percentage of Final Average Compensation to be multiplied by Credited Service for directors and managers of the Genesee District Library Authority shall be 2.1% of the Member's Final Average Compensation multiplied by the Member's Credited Service up to a maximum of 25 years, plus 1.0% of the Members Final Average Compensation multiplied by the portion, if any, of the Member's Credited Service in excess of 25 years, and the Pension portion of the straight life Retirement Allowance shall not exceed 60% of the Member's Final Average Compensation and shall not be subject to subsection (b). Effective January 1, 2001, the percentage of Final Average Compensation to be multiplied by Credited Service for non-union Employees of the Genesee District Library Authority shall be 2.3% of the Member's Final Average Compensation multiplied by the Member's Credited Service up to a maximum of 25 years, plus 1.0% of the Member's Final Average Compensation multiplied by the portion, if any, of the Member's Credited Service in excess of 25 years, provided, however, that in no event shall the Pension portion of the straight life Retirement Allowance exceed 60% of the Member's Final Average Compensation and shall not be subject to subsection (b). Effective July 1, 2002, the percentage of Final Average Compensation to be multiplied by Credited Service for Water and Waste Services (Sanitary Sewers) non-union Employees shall be 2.4% of the Employee's Final Average Compensation multiplied by all years of the Employee's Credited Service, provided, however, that in no event shall the Employer

financed Pension portion of the straight life Retirement Allowance exceed 75% of the Employee's Final Average Compensation and shall not be subject to subsection (b). Effective July 1, 2006, the percentage of Final Average Compensation to be multiplied by Credited Service for a non-union Employee of Sanitary Sewers hired on or after January 1, 2006, shall be 2.4% of the Employee's Final Average Compensation multiplied by the Member's Credited Service up to a maximum of twenty-five (25) years, plus 1.0% of the Member's Final Average Compensation multiplied by the portion, if any, of the Member's Credited Service in excess of twenty-five (25) years, provided that in no event shall the Pension portion of the straight life Retirement Allowance exceed seventy-five (75%) of the Member's Final Average Compensation, and shall not be subject to subsection (b). Effective January 1, 2012, the percentage of Final Average Compensation to be multiplied by Credited Service for a non-union Employee of Sanitary Sewers hired on or after January 1, 2012, shall be 2.0% of the Employee's Final Average Compensation multiplied by the Member's Credited Service up to a maximum of twenty-five (25) years, plus 1.0% of the portion, if any, of the Member's Credited Service in excess of twenty-five (25) years. Effective June 1, 2006, the maximum Retirement Pension allowance for non-union Sanitary Sewers Member shall not exceed eighty-five (85%) of the Employee's highest base wage year defined as base wage times 2,080 hours times 85% and shall be subject to subsection (b). Non-union Members of Sanitary Sewers retiring between June 1, 2006 and September 30, 2009 may retire under either Option (75% of Final Average Compensation or 85% of base wage) whichever provides the larger Pension benefit. However, an Employee of Sanitary Sewers, Genesee District Library Authority, or the City of Mt. Morris, who is a member of a union, shall be entitled to the Retirement Allowance as is stated in the Applicable Union Contract.

- (2) Effective January 1, 1990, members of the Board of Road Commissioners and exempt Employee Members: 2.4% of the Member's Final Average Compensation multiplied by the Member's Credited Service to a maximum of 25 years, plus 1.0% of the Member's Final Average Compensation multiplied by the portion of the Member's Credited Service, if any, in excess of 25 years, and the Pension portion of the Member's straight life Retirement Allowance shall not exceed 65% of the Member's Final Average Compensation and shall not be subject to subsection (b). However, effective May 21, 1991, the Pension portion of the exempt Employee Member's straight life Retirement Allowance shall not exceed 75% of the Member's Final Average Compensation and shall not be subject to subsection (b). However, an Employee of the Road Commission, who is a member of a union, shall be entitled to the Retirement Allowance as is stated in the Applicable Union Contract.
- (3) General County Members, except those Members who are members of unions and including members of the Board of County Commissioners, 2.2% of the Member's Final Average Compensation multiplied by years of his Credited Service for Employees hired subsequent to January 1, 1988, and 2.4% of the Member's Final Average Compensation multiplied by years of his Credited Service for Employees hired prior to January 1, 1988, both applicable to a maximum of 25 years, and 1.0% of his Final Average Compensation applicable to the portion, if any, of his Credited Service in excess of 25 years. The Pension portion of the straight life Retirement Allowance financed by the Employer shall not exceed 60% (65% effective January 1, 1988 for Employees hired prior to January 1, 1988) of the Member's Final Average Compensation and shall not be subject to subsection (b). Effective January 1, 1993, the amount of a straight life Retirement Allowance for a General County Employee Member who is an appointed official or appointed officer (except holders of elective office, which exception shall terminate effective January 1, 1995, for said holders of elective office other than the Chairperson and other members of the Board of County Commissioners, and which exception shall terminate effective upon commencement of the 1995-96 term of office on January 1, 1995 for the Chairperson and other members of the Board of County Commissioners), or an exempt Employee, or a non-union classified Employee, subject to the limitations described below in subsection (e), shall be computed as follows: 2.4% of the Member's Final Average Compensation multiplied by years of his Credited Service, for a maximum

of 25 years, and 1.0% of his Final Average Compensation applicable to the portion, if any, of his Credited Service in excess of 25 years, and the Pension portion of the straight life Retirement Allowance financed by the Employer shall not exceed 65% of the Member's Final Average Compensation and shall not be subject to subsection (b). However, the amount of straight life Retirement Allowance for a General County Employee Member who is neither a member of a County Labor organization nor a holder of Elective Office, and who retires on or after July 1, 1996, subject to the limitations described below in subsection (e), shall be computed as follows: 2.4% of the Member's Final Average Compensation multiplied by the total number of years of the Member's Credited Service, subject, however, to the limitation that the Pension portion of the straight life Retirement Allowance financed by the Employer shall not exceed 65% of the Member's Final Average Compensation, which Pension portion shall not be subject to subsection (b). However, effective January 1, 1997 at 12:00 noon, the amount of a straight life Retirement Allowance for a General County Employee Member who is a holder of elective office, and who retires after said date and time, subject to the limitations described below in subsection (e), shall be computed as follows: 2.4% of the Member's Final Average Compensation multiplied by the total number of years of the Member's Credited Service, subject, however, to the limitation that the Pension portion of the straight life Retirement Allowance financed by the Employer shall not exceed 65% of the Member's Final Average Compensation, which Pension portion shall not be subject to subsection (b). However, the amount of straight life Retirement Allowance for a General County Employee Member who is not a member of a County labor organization, including but not limited to an appointed official or officer, or a holder of elective office, who retires on or after July 30, 2001, subject to the limitations described below in subsection (e), shall be computed as follows: 2.4% of the Member's Final Average Compensation multiplied by the total number of years of the Member's Credited Service, subject, however, to the limitation that the Pension portion of the straight life Retirement Allowance financed by the Employer shall not exceed 75% of the Member's Final Average Compensation, which Pension portion shall not be subject to subsection (b).

- (4) [REPEAL AND RESERVE.]
- (5) General County Members who are members of unions shall be entitled to the Retirement Allowance as is stated in the Applicable Union Contract.
- (6) Genesee County Community Mental Health Services Members who are not members of an employee labor organization: 2.2% for Employees hired subsequent to February 9, 1989, and 2.4% for Employees hired prior to February 9, 1989, both applicable to a maximum of 25 years, and 1.0% of his Final Average Compensation applicable to the portion, if any, of his Credited Service in excess of 25 years. However, effective January 1, 2005, for Genesee County Community Mental Health Services employees who are not members of an employee labor organization and were hired subsequent to February 9, 1989: 2.4% for a maximum of 25 years, and 1.0% of the employee's Final Average Compensation applicable to the portion, if any, of the employee's Credited Service in excess of 25 years. The Pension portion of the straight life Retirement Allowance financed by the Employer shall not exceed 60% (65% effective February 9, 1989) of the Member's Final Average Compensation and shall not be subject to subsection (b).
- (7) Genesee County Community Mental Health Services Members who are members of a union, shall be entitled to the Retirement Allowance as is stated in the Applicable Union Contracts.
- (8) General County Members who are judges who have served for any time subsequent to July 11, 1989, and who are not members of the Michigan Probate Judges Retirement System: 2.4% of the Member's Final Average Compensation multiplied by the Members Credited Service to a maximum of 25 years, plus 1.0% of the Member's Final Average Compensation applicable to that portion, if any, of the Member's Credited Service in

excess of 25 years, for all such judges who have served for any time prior to July 11, 1989; and 2.2% of the Member's Final Average Compensation multiplied by the Member's Credited Service to a maximum of 25 years, plus 1.0% of the Member's Final Average Compensation applicable to that portion, if any, of the Member's Credited Service in excess of 25 years, for all such judges who commence Service on or after July 11, 1989. Effective as of July 11, 1989, the Pension portion of the straight life Retirement Allowance for any judge governed by this paragraph, who became a Member of the System prior to July 11, 1989, shall not exceed 65% of the judge's Final Average Compensation and shall not be subject to subsection (b), and the Pension portion of the straight life Retirement Allowance for such a judge who becomes a Member of this System on or after July 11, 1989, shall not exceed 60% of the judge's Final Average Compensation and shall not be subject to subsection (b). However, effective as of January 1, 1995, Genesee County Members who are judges: 2.4% of the Member's Final Average Compensation multiplied by the Member's Credited Service to a maximum of 25 years, plus 1.0% of the Member's Final Average Compensation application to that portion, if any, of the Member's Credited Service in excess of 25 years, and the Pension portion of the straight life Retirement Allowance for any judge governed by this paragraph shall not exceed 65% of the judge's Final Average Compensation and shall not be subject to Subsection (B).

- (b) (1) [REPEAL AND RESERVE.]
- (2) If a Member retires prior to his attainment of age 60 years, as provided in Section 22, (b)(3)(a)(iii) and (b)(4)(ii), the Pension portion of his Retirement Allowance provided in Section 25 (a)(1) or (a)(2) shall be reduced six-tenths of one percent multiplied by the number of complete months the date of his Retirement precedes the date he would attain age 60 years. Effective July 1, 2006, if a non-union Employee of Sanitary Sewers retires on or after his attainment of age 55 but prior to his attainment of age 60 years, as provided in Section 22(b)(5)(ii) and (iii), the Pension portion of his Retirement Allowance provided in Section 25(a)(1) shall be reduced one half of one percent (.50%) multiplied by the number of complete months his Retirement date precedes the date he would attain age 60 years. Members of a union are entitled to an early retirement provision as stated in the Applicable Union Contract.
- (c) According to such rules and regulations as the Retirement Commission may from time to time adopt, any Member who retires prior to his attainment of age 65 years may elect to have his straight life Retirement Allowance actuarially equated to provide an increased Retirement Allowance payable to his attainment of age 65 years and a reduced Retirement Allowance payable thereafter. His increased Retirement Allowance payable to his attainment of age 65 shall approximate the sum of his reduced Retirement Allowance to be payable after his attainment of age 65 years and his estimated social security primary insurance amount. This section shall not apply to a Member who elects to receive his Retirement Allowance in an option provided in Section 27.
- (d) If a Retirant dies before he has received in straight life Retirement Allowance payments an aggregate amount equal to his Accumulated Contributions standing to his credit in the Employees' Savings Fund at the time of Retirement the difference between his said Accumulated Contributions and the said aggregate amount of straight life Retirement Allowance payments received by him shall be paid to such Person or Persons as he shall have nominated by written designation duly executed and filed with the Retirement Commission. If there be no such designated Person surviving the Retirant, such difference, if any, shall be paid to his legal representative. In no case shall any benefits be paid under this subsection on account of the death of a Retirant who elected option A, B, or C provided for in Section 27.
- (e) Notwithstanding any other provisions of the Ordinance, no Member shall receive benefits in excess of the amount permitted under Federal Internal Revenue Code Section 415, the provisions of which are incorporated herein by reference. Notwithstanding the foregoing, the Retirement Commission shall administer the Ordinance in compliance with Internal Revenue Code Section 415 as it applies to governmental plans. For purposes of the limitations under Internal Revenue

Code Section 415, compensation, as defined in Subsection 2(n), includes all remuneration within the meaning of Internal Revenue Code Section 415(c)(3) as defined in 1.415-2(d)(10) of the Federal Internal Revenue Code Regulations. For limitation years beginning after December 31, 1997, for purposes of applying the limitations of Section 415 of the Internal Revenue Code, Compensation paid or made available during such limitation years shall include any elective deferral (as defined in Section 402(g)(3) of the Internal Revenue Code), and any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includable in the gross income of the Employee by reason of Sections 125 or 457 of the Internal Revenue Code. For limitation years beginning on and after January 1, 2001, for purposes of applying the limitations described herein, Compensation paid or made available during such limitation years shall include elective amounts that are not includable in the gross income of the Employee by reason of Section 132(f)(4) of the Federal Internal Revenue Code.

#### Deferred Retirement:

##### Section 26.

In the event a Member who has 8 or more years of Credited Service leaves the employ of an Employer prior to the date he has satisfied the age and/or Service requirements for Retirement provided in either Section 22 or Section 23 for any reason except his disability Retirement or death, he shall be retired 30 days from the date he files his application for Retirement with the Retirement Commission on or after the date he could have satisfied the age and/or Service requirements for Retirement had he remained in the employ of an Employer. Upon his Retirement he shall receive a Retirement Allowance computed according to Section 25, as the section was in effect at the time he left Employer employment. If he withdraws all or any part of his Accumulated Contributions from the Employees' Savings Fund he shall thereupon forfeit his right to a deferred Retirement Allowance provided in this section. In no case shall he receive Service credit for the period of his absence from Employer employment except as is otherwise specifically provided in this Ordinance. Until his Retirement, his Accumulated Contributions standing to his credit in the Employees' Savings Fund shall be credited with Regular Interest.

The previous provisions of this section notwithstanding, Genesee County Community Mental Health Services Employees who commenced employment on or after February 9, 1989, may elect deferred Retirement only after fifteen (15) years of Credited Service and only after twenty-five (25) years of Credited Service would have been completed had the Member remained in the employ of the Employer. Judges who commenced Service on or after July 11, 1989, and General County Members (other than members of the Board of County Commissioners) who commenced employment on or after January 1, 1988, may elect deferred Retirement only after fifteen (15) years of Credited Service. Effective June 1, 2000, Water and Waste Services Employees may elect deferred Retirement only after fifteen (15) years of Credited Service. Effective January 1, 2006, a non-union Employee of Sanitary Sewers may elect deferred Retirement after ten (10) years of Credited Service and will only be eligible to commence receipt of deferred Retirement benefits after the attainment of age 60. However the deferred benefit eligibility of an Employee of any said Employers, who is a member of a union, shall be as is stated in the Applicable Union Contract.

#### Retirement Allowance Options:

##### Section 27.

- (a) Prior to his Retirement, but not thereafter, a Member may elect to receive his Retirement Allowance as a straight life Retirement Allowance payable throughout his life, or he may elect to receive the actuarial equivalent, computed as of the effective date of his Retirement, of his straight life Retirement Allowance in a reduced Retirement Allowance payable, subject to subsection (b) of this section, throughout his life, and nominate a Beneficiary, in accordance with the provisions of option A, B, or C set forth below. If a Member does not have an option election in force at the time of his Retirement, his Retirement Allowance shall be paid as a straight life Retirement Allowance. In all cases, a Member is required to receive his Retirement Allowance in accordance with the rules provided in Subsection (f).



- (1) Option A - 100% Survivor Allowance: Under Option A a Retirant shall receive a reduced Retirement Allowance payable throughout his life and upon his death his reduced Retirement Allowance shall be continued throughout the life of and paid to such Person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Retirement Commission prior to his Retirement.
  - (2) Option B - 50% Survivor Allowance: Under Option B a Retirant shall receive a reduced Retirement Allowance payable throughout his life and upon his death one-half of his reduced Retirement Allowance shall be continued throughout the life of and be paid to such Person, having an insurable interest in his life, as he shall have nominated by written designation duly executed and filed with the Retirement Commission prior to his Retirement.
  - (3) Option C - Allowance for N Months Certain and Life Thereafter: Under Option C a Retirant shall receive a reduced Retirement Allowance payable throughout his life with the provision that if he dies before he has received N monthly Retirement Allowance payments the payments shall be continued for the remainder of the period of N months to such Person or Persons in equal shares as the Retirant shall have nominated by written designation duly executed and filed with the Retirement Commission. If there be no such designated Person surviving the Retirant, such remaining monthly Retirement Allowance payment shall be continued and paid to the estate of the survivor of the Retirant and his last surviving Beneficiary. The Member may select either 60, 120, 180, or 240 as the value of N, such selection to be made at the time he elects Option C.
- (b) If any Pension or other benefit becomes payable under the provisions of Section 34 on account of the death of a Retirant who elected to receive his Retirement Allowance under the provisions of either Option A, Option B, or Option C, no Retirement Allowance shall be paid his designated Beneficiary under the provision of said Option A, B, and C, as the case may be. If the said Retirant dies before he received a Retirement Allowance payment, an aggregate amount equal to his Accumulated Contributions standing to his credit in the Employees' Savings Fund at the time of his Retirement, and if no refund of Accumulated Contributions is paid in accordance with the provisions of Section 34, the difference between his said Accumulated Contributions and the said aggregate amount of Retirement Allowance payments received by him, shall be paid from the Retirement Reserve Fund to his said designated Beneficiary, if living, otherwise to his legal representative.
  - (c) In the event that a Retirant who named a spouse as Beneficiary in accordance with the provisions of Option A or B, as set forth in this section, shall subsequently become divorced from the named Beneficiary, the Retirant may then elect the straight life Retirement Allowance upon written request to the Retirement Commission provided such request is not inconsistent with the terms of the divorce decree. It is the Retirant's responsibility to provide all pertinent documentation.
  - (d) When a Sanitary Sewers Member or a General County Member, excluding judges and members of the Board of County Commissioners, which exclusion shall terminate effective January 1, 1995 for the judges and shall terminate effective upon commencement of the 1995-96 term of office on January 1, 1995 for the Chairperson and members of the Board of County Commissioners, or a Genesee County Community Mental Health Services Member, or effective January 1, 1988, a Genesee County Road Commission Employee Member who is a member of Local 496, Chapter 04, affiliated with Council No. 25 of the American Federation of State, County and Municipal Employees (American Federation of Labor-Council of Industrial Organizations) labor organization, or effective July 24, 1990, a member of the Genesee County Road Commission Supervisors Association, or effective August 28, 1990, a Genesee County Road Commission Employee Member who is a member of the Service Employees International Union, Local 79, American Federation of Labor-Council of Industrial Organizations selects a Beneficiary option (option A or B) at the time of Retirement and the Beneficiary subsequently dies after the Member retired, the Retirement selection shall automatically revert to straight life Retirement Allowance; or effective May 21, 1991, a Genesee County Road Commission exempt Employee selects a Beneficiary

option (option A or B) at the time of Retirement and the Beneficiary subsequently dies after the Member retired, the Retirement selection shall automatically revert to straight life Retirement Allowance. Effective December 31, 2002, when a non-union Employee of the City of Mt. Morris selects a Beneficiary option (option A or B) at the time of Retirement and the Beneficiary subsequently dies after the Employee retired, the Retirement selection shall automatically revert to straight life Retirement Allowance. Effective January 1, 2012, when a non-union Employee of Sanitary Sewers selects Beneficiary option A-100% survivor at the time of Retirement and the Beneficiary subsequently dies after the Employee retired, the Retirement selection shall automatically revert to straight-life Retirement Allowance.

- (e) Effective as of July 11, 1989, when a General County Member, who is a judge, selects a Beneficiary option (Option A or B) at the time of Retirement and the Beneficiary subsequently dies after the Member retires, the Retirement selection shall automatically revert to straight life Retirement Allowance.
- (f) Notwithstanding any other provision of the Ordinance, the commencement and form of benefit payments to a Member or his Beneficiary shall be subject to the following distribution rules, and otherwise shall comply with Internal Revenue Code Section 401 (a)(9) and regulations thereunder, including the minimum distribution incidental benefit requirement of proposed Treasury Regulation Section 1.401(a)(9)-2, the provisions of which are incorporated herein by reference:
  - (1) In no event shall payment of benefits to a Member prior to his death commence later than April 1st of the calendar year following the later of (a) the calendar year in which the Member attains age 70 1/2, or (b) the calendar year in which he retires. Such payments shall be made in accordance with regulations prescribed by the Secretary of the Treasury in either the form of a lifetime annuity for the life of such Member or for the joint lives of such Member and his Beneficiary, or in the form of periodic payments for a period which does not exceed the life expectancy of the Member or the life expectancy of the Member and his Beneficiary.
  - (2) If the Member dies after distribution of his or her interest has begun, the remaining portion, if any, of such interest will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Member's death.
  - (3) If the Member dies before distribution of his benefit has commenced, the Member's entire interest will be distributed no later than 5 years after the Member's death except to the extent that an election is made to receive distributions in accordance with (A) or (B):
    - (A) If any portion of the Member's interest is payable to a Beneficiary, distributions may be made in substantially equal installments over the life or life expectancy of the Beneficiary commencing no later than 1 year after the Member's death;
    - (B) If the Beneficiary is the Member's surviving spouse, the date distributions are required to begin in accordance with (1) above shall not be earlier than the date on which the Member would have attained age 70-1/2, and, if the spouse dies before payments begin, subsequent distributions shall be made as if the spouse had been the Member.
  - (4) Distributions from the retirement system will comply with the requirements of Internal Revenue code section 401(a)(9) and the regulations thereunder, including requirements regarding the beginning date for distributions and the period over which a member's interest in the retirement system will be distributed.

A member's interest in the trust must begin to be distributed by the later of (i) April 1 of the calendar year following the calendar year that the member attains the age of 70 1/2, or (ii) April 1 of the calendar year the member retires. With respect to distributions under the Plan made for calendar years beginning on or after January 1, 2001, the Plan will apply

the minimum distribution requirements of IRC § 401(a)(9) in accordance with the regulations under IRC § 401(a)(9) that were proposed in January 2001, notwithstanding any provision in the Plan to the contrary. This amendment shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations under IRC § 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service.

- (1) Effective date. The provisions of this section will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.
- (2) Precedence. The requirements of this section will take precedence over any inconsistent provisions of the Plan.
- (3) Requirements of Treasury Regulations Incorporated. All distributions required under this section shall be determined and made in accordance with the Treasury regulations under section 401(1)(9) of the Internal Revenue Code.
- (4) TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this section, other than paragraph (c), distributions may be made under a designation made on or before January 1, 1984 in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to section 242(b)(2) of TEFRA.

#### TIME AND MANNER OF DISTRIBUTION

- (5) Required Beginning Date. The member's entire interest will be distributed, or begin to be distributed, to the member no later than the member's required beginning date.
- (6) Death of Member Before Distributions Begin. If the member dies before distributions begin, the member's entire interest will be distributed, or begin to be distributed, no later than as follows:
  - (i) If the member's surviving spouse is the member's sole designated beneficiary, then, except as provided in the Plan, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the member died, or by December 31 of the calendar year in which the member would have attained age 70 ½, if later.
  - (ii) If the member's surviving spouse is not the member's sole designated beneficiary, then, except as provided in the Plan, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the member died.
  - (iii) If there is no designated beneficiary as of September 30 of the year following the year of the member's death, the member's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the member's death.
  - (iv) If the member's surviving spouse is the member's sole designated beneficiary and the surviving spouse dies after the member but before distributions to the surviving spouse begin, this paragraph (6) will apply, other than paragraph (6)(i), as if the surviving spouse were the member.

For purposes of paragraph (6) and paragraphs (11), (12) and (13), distributions

are considered to begin on the member's required beginning date (or, if paragraph (6)(iv) applies, the date distributions are required to begin to the surviving spouse under paragraph (6)(i)). If annuity payments irrevocably commence to the member before the member's required beginning date (or to the member's surviving spouse before the date distributions are required to begin to the surviving spouse under paragraph (6)(i)), the date distributions are considered to begin is the date distributions actually commence.

(7) Form of Distribution. Unless the member's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year, distributions will be made in accordance with paragraphs (8) through (13) of this section. If the member's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of section 401(a)(9) of the IRC and the Treasury regulations. Any part of the member's interest which is in the form of an individual account described in section 414(k) of the IRC will be distributed in a manner satisfying the requirements of section 401(a)(9) of the IRC and the Treasury regulations that apply to individual accounts.

#### DETERMINATION OF AMOUNT TO BE DISTRIBUTED EACH YEAR.

- (8) General Annuity Requirements. If the member's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
- (i) The annuity distributions will be paid in periodic payments made at intervals not longer than one year.
  - (ii) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in paragraphs (11) through (13).
  - (iii) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted.
- (9) Amount Required to Be Distributed by Required Beginning Date. The amount that must be distributed on or before the member's required beginning date or, if the member dies before distributions begin, the date distributions are required to begin under paragraphs (6)(i) or (ii) is the payments that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the member's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the member's required beginning date.
- (10) Additional Accruals after First Distribution Calendar Year. Any additional benefits accruing to the member in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

#### REQUIREMENTS FOR MINIMUM DISTRIBUTIONS WHERE MEMBER DIES BEFORE DATE DISTRIBUTIONS BEGIN.

- (11) Member Survived by Designated Beneficiary. Except as provided in the adoption

agreement, if the member dies before the date distribution of his or her interest begins and there is a designated beneficiary, the member's entire interest will be distributed, beginning no later than the time described in paragraphs (6)(i) or (ii), over the life of the designated beneficiary or over a period certain not exceeding:

- (i) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the member's death ; or
  - (ii) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.
- (12) No Designated Beneficiary. If the member dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the member's death, distribution of the member's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the member's death.
- (13) Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the member dies before the date distribution of his or her interest begins, and the member's surviving spouse is the member's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this section will apply as if the surviving spouse were the member, except that the time by which distributions must begin will be determined without regard to paragraph (6)(i).

#### DEFINITIONS.

- (14) Designated Beneficiary. The individual who is designated as the beneficiary under the Plan and is the designated beneficiary under section 401(a)(9) of the code and section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.
- (15) Distribution Calendar Year. A calendar year for which minimum distribution is required. For distributions beginning before the member's death, the first distribution calendar year is the calendar year immediately preceding the calendar year, which contains the member's required beginning date. For distributions beginning after the member's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to paragraph (6).
- (16) Life Expectancy. Life expectancy as computed by use of the single life table in section 1.401(a)(9)-9 of the Treasury regulations.
- (17) Required Beginning Date. The date specified in this section.

#### Disability Retirement:

##### Section 28.

A Member, with 10 or more years of Credited Service, whom the Retirement Commission finds to be totally and permanently incapacitated for duty from any cause in the employ of his last Employer may be retired by the Commission upon application filed with the Commission by the Member or his department head: Provided, that after a medical examination of the Member, made by or under the direction of the medical director, the medical director certifies to the Retirement Commission (1) that the Member is

mentally or physically totally incapacitated for duty in the employ of his last Employer, (2) that such incapacity will probably be permanent, and (3) that the Member should be retired. Upon this Retirement he shall receive a Retirement Allowance provided in Section 30. In addition to the above requirements, the Member must apply for Social Security disability benefits and properly notify the Retirement Commission concerning the results of said application. If retroactive Social Security disability benefits are made to the Member, then the Member shall pay back all overpaid Pension benefits, as determined by actuarial review, within thirty (30) days of notice by the Retirement Commission. Effective July 1, 2006, a non-union Employee of Sanitary Sewers must have fifteen (15) or more years of Credited Service for benefits under the provisions of this Section. Sanitary Sewers Employees who are members of a union shall have Credited Service as defined in the Applicable Union Contract for purposes of this section.

Duty Disability Retirement:

Section 29.

A Member whom the Retirement Commission finds to be totally and permanently incapacitated for duty in the employ of his last Employer, as the natural and proximate result of a personal injury or disease arising out of and in the course of his actual performance of duty in the employ of an Employer, may be retired by the Retirement Commission upon application filed with the Commission by the Member or his department head: Provided, that after a medical examination of the Member, by or under the direction of the medical director, the medical director certifies to the Retirement Commission (1) that the Member is mentally or physically totally incapacitated for duty in the employ of his last Employer, (2) that such incapacity will probably be permanent, and (3) that the Member is in receipt of worker's disability compensation on account of such total and permanent incapacity. Upon his Retirement he shall receive a Retirement Allowance provided in Section 30.

Disability Retirement Allowance:

Section 30.

Upon his Retirement on account of disability, as provided in this Ordinance, a Member shall receive a disability Retirement Allowance computed according to Section 25, exclusive of subsections (b) and (c). If he retires before he has satisfied the age and Service requirements for Retirement provided in Section 22, and the Retirement Commission finds (1) that his disability is the natural and proximate result of causes arising out of and in the course of his employment by an Employer, and (2) that he is granted worker's compensation on account of such disability, the Credited Service used in computing his disability Retirement Allowance shall be the sum of (1) his Credited Service in force at the time of his Retirement and (2) the number of years and fraction of a year, in the period from the date of his disability Retirement to the date he could have satisfied the age and Credited Service requirements for Retirement Allowance subject to Sections 31, 32, 33, and 48. Prior to the date of his Retirement he may elect to receive his disability Retirement Allowance under an option provided in Section 27 in lieu of a straight life Retirement Allowance.

Maximum Disability Retirement Allowance:

Section 31.

In no case shall the amount of a disability Retirement Allowance payable prior to age 65 years under the provisions of Section 30 exceed the difference between a percent of the disability Retirant's Final Average Compensation and the total of the following amounts:

- (a) Worker's disability compensation, if any, on account of such disability, converted to an annual basis in accordance with such procedure as the Retirement Commission shall from time to time determine; plus
- (b) Remuneration, if any, received for personal services rendered in any gainful occupation; plus
- (c) Benefits, if any, from any program of salary continuance, sickness and accident insurance,

disability insurance or similar coverage, financed in whole or in part by an Employer; plus

- (d) Benefits, if any, from the federal social security old-age, survivors, disability, and health insurance program on account of his disability.
- (e) Amounts of worker's disability compensation, sickness and accident insurance, disability insurance, and/or federal Social Security disability benefits shall be those that are effective as of the date the Retirement System benefits commence. Any previously mentioned income that starts after the Member's Retirement date will also be considered.
- (f) Across-the-board cost-of-living increases, such as Social Security adjustments, occurring after date of Retirement will not be considered.
- (g) Changes because of an increase or decrease in number of dependents will be considered.
- (h) Lump sum redemption of worker's disability compensation claim (exclusive of amounts allocated for medical expenses) will be considered in the calculation of Pension benefits.

Any change in the duration or termination of the aforementioned benefits will necessitate a recalculation of Pension benefits. Any change in the amount of the aforementioned benefits, other than cost-of-living increases, will necessitate a recalculation of Pension benefits.

Such percent shall be 90 percent increased by 2.5 percent for each full year elapsed since his disability Retirement.

#### Reexamination of Disability Retirants:

##### Section 32.

At least once a year during the first 5 years following the Retirement of a Member with a disability Retirement Allowance, and at least once in each 3 year period thereafter, the Retirement Commission may require any disability Retirant who has not attained age 60 years to undergo a medical examination to be made by or under the direction of the medical director or a physician designated by the medical director, to determine if disability as required for Retirement under Section 30 still exists. If a disability Retirant refuses to submit to such medical examination in any such period his disability Retirement Allowance may be suspended by the Commission until his withdrawal of such refusal. If such refusal continues for one year his rights in and to a disability Retirement Allowance may be revoked by the Commission. If upon such medical examination of a disability Retirant, the medical director certifies to the Commission that disability as required for Retirement under Section 30 no longer exists, and his report is concurred in by the Commission, the disability Retirement Allowance shall be terminated.

#### Return to Service of Disability Retirants:

##### Section 33.

- (a) If a disability Retirant returns to the employ of the Employer from which he retired, within four years from and after the date his disability Retirement Allowance was terminated as provided in Section 32, he shall again become a Member of the Retirement System. His Credited Service used in computing the amount of his disability Retirement Allowance in accordance with Section 30 shall be restored to his credit upon the return by him of all amounts he may have previously withdrawn from and not returned to the Employees' Savings Fund, together with interest compounded annually thereon from the date of withdrawal to the date of repayment.
- (b) If a former disability Retirant does not return to the employ of the Employer from which he retired, as provided in subsection (a) of this section, he shall be entitled to a deferred Retirement Allowance provided in Section 26.

### Death in Line of Duty:

#### Section 34.

In the event (i) a Member dies as a result of a personal injury or disease arising out of and in the course of his employment by an Employer, or (ii) a disability Retirant dies prior to attaining age 60 years and within a period of three years following his disability Retirement as a result of the same injury or disease for which he retired, and in either case his death, injury, or disease resulting in death, be found by the Retirement Commission to have occurred as the natural and proximate result of causes arising out of and in the course of his actual performance of duty in the Service of an Employer, the applicable benefits provided in paragraphs (a), (b), (c), and (d) shall be paid subject to the condition that worker's compensation is paid on account of the death of the Member or Retirant and subject to paragraph (e).

- (a) Accumulated Contributions. In the case of a deceased Member, his Accumulated Contributions standing to his credit in the Employees' Savings Fund at the time of his death shall be paid in accordance with Section 37.
- (b) Widow's Benefit. His widow, if not remarried, shall receive a widow's Pension equal to the widow's weekly worker's compensation converted to an annual basis. Such Pension shall begin upon termination of the widow's Worker's Compensation Period and shall terminate upon her remarriage or death, whichever occurs first.
- (c) Children's Benefits. His unmarried child or children under age eighteen years shall each receive a child's Pension equal to the child's weekly worker's compensation converted to an annual basis. Such child's Pension shall begin upon termination of the child's Worker's Compensation Period and shall terminate upon his attainment of age eighteen years, or marriage, or death, whichever occurs first. Should the widow's Pension terminate as provided in paragraph (b) and should an unmarried child or children, under age eighteen years, of the deceased Member or Retirant survive the widow, each of such child's Pension shall be increased by an equal share of the widow's pension.
- (d) Dependent Parent's Benefit. His parent or parents shall each receive a parent's Pension equal to the parent's weekly worker's compensation converted to an annual basis. Such parent's Pension shall begin upon termination of the parent's Worker's Compensation Period and shall terminate upon his remarriage or death, whichever occurs first.
- (e) In no case shall the sum of the annual Pension provided in paragraphs (b), (c), and (d) exceed the percentage stated in Section 25 of the deceased Member's Final Average Compensation multiplied by his Credited Service not to exceed 25 years.

### Ordinary Death Benefits - Elective Beneficiary:

#### Section 35.

- (a) Any Member who continues in the employ of an Employer on or after the date he either (1) has acquired 15 or more years of Credited Service, or (2) has acquired 10 or more years of Credited Service and has attained age 60 years, may at any time prior to his Retirement elect Option A provided in Section 27 and nominate a Beneficiary. Prior to his Retirement a Member may revoke his said election of Option A and nomination of Beneficiary and he may again, prior to his Retirement, elect the said Option A and nominate a Beneficiary as provided in this section. Upon the pre-retirement death of a Member who has an Option A election in force, his Beneficiary, if living, shall immediately receive a Retirement Allowance computed according to Section 25, exclusive of subsection (b), in the same manner in all respects as if the Member had retired under Option A the day preceding the date of his death, notwithstanding that he might not have attained age 60 years. If a Member has elected Option A, his said election of Option A and nomination of Beneficiary shall thereafter continue in force unless subsequent to that election and prior to his Retirement, he elects to take his Retirement Allowance as a straight life Retirement Allowance or under Option B or Option C provided in Section 27.



(b) For a Member who has not satisfied the Service credit requirements of subsection (a) and accordingly does not have an Option A nominated Beneficiary prior to pre-retirement death, but was eligible to purchase prior governmental service credit pursuant to Section 18, and had not done so prior to death, the Reciprocal Retirement Act may be utilized to recognize such service credit. Such recognized service credit shall be used to satisfy the Service credit requirements of subsection (a) only and shall not be utilized in the calculation of the Retirement benefit. In this instance only, the Option A benefit otherwise provided in subsection (a), shall be paid to such Person as the Member nominated for a refund of their Accumulated Contribution as provided in Section 37. No benefit shall be paid under this subsection on account of the death of a Member if any benefits are paid under section 36 on account of his death.

(c) No benefits shall be paid under this section on account of the death of a Member if any benefits are paid under Section 34 on account of his death.

(d) Death Benefits

In the case of a death occurring on or after January 1, 2007, if a Member dies while performing qualified military service (as defined in Internal Revenue Code § 414(u)), the survivors of the Member are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the Member has resumed and then terminated employment on account of a non-duty related death. For these purposes, the Member shall be entitled to service credit under the Plan for the period of qualifying military service.

Ordinary Death Benefits - Widow or Widower Beneficiary Automatic:

Section 36.

Any Member who continues in the employ of an Employer on or after the date he either (1) has acquired 15 years of Credited Service, or (2) has acquired 10 or more years of Credited Service and he has attained age 60 years, and does not have an Option A election in force as provided in Section 35, and (1) dies while in the employ of an Employer and (2) leaves a widow, or in the case of a female Member leaves a widower, the widow or widower shall immediately receive a Retirement Allowance computed according to Section 25, exclusive of subsection (b), in the same manner in all respects as if the Member had (1), retired the day preceding the date of his death, notwithstanding that he might not have attained age 60 years, (2) elected Option A provided in Section 27 and (3) nominated his said widow or widower as Beneficiary. For a Member who has not satisfied the Service credit requirements of this section prior to the pre-retirement death, but was eligible to purchase prior governmental service credit pursuant to Section 18, and had not done so prior to death, the Reciprocal Retirement Act may be utilized to recognize such service credit. Such recognized service credit shall be used to satisfy the Service credit requirements of this section only and shall not be utilized in the calculation of the Retirement benefit. No benefits shall be paid under this paragraph on account of the death of a Member if any benefits are paid under Section 34 on account of his death.

Refund of Member's Accumulated Contributions:

Section 37.

- (a) Except as otherwise provided in this Ordinance, should any Member cease to be employed by an Employer, for any reason except his Retirement or death, before he has satisfied the age and Credited Service requirements for Retirement provided in Section 22 or 23, he shall be paid his Accumulated Contributions standing to his credit in the Employees' Savings Fund upon his request in writing filed with the Retirement Commission.
- (b) Should a Member die and no Retirement Allowance becomes or will become payable by the Retirement System on account of his death his Accumulated Contributions standing to his credit in the Employees' Savings Fund at the time of his death shall be paid to such Person or Persons as he shall have nominated by written designation duly executed and filed with the Commission. If

there be no such designated Person surviving the Member his said Accumulated Contributions shall be paid to his legal representative.

- (c) Should a Member die, without heirs and without a designated Beneficiary surviving him, his Accumulated Contributions standing to his credit in the Employees' Savings Fund at the time of his death may be used to pay his burial expenses, not to exceed a reasonable sum to be determined by the Commission, provided that he leaves no other estate sufficient for such purpose.
- (d) Payment of Accumulated Contributions, as provided in this section may be made in installments according to such rules as the Commission may from time to time adopt.
- (e) (1) This subsection applies to distributions made on or after January 1, 1993. Notwithstanding any provision of the Ordinance to the contrary that otherwise would limit a Distributee's election under the Ordinance, a Distributee may elect, at the time and in the manner prescribed by the Commission, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

(A) Definitions.

- (I) Eligible Rollover Distribution: An "Eligible Rollover Distribution" is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated Beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Internal Revenue Code Section 401 (a)(9); and the portion of any distribution that is not includible in gross income.
  - (II) Eligible Retirement Plan: an "Eligible Retirement Plan" is an individual retirement account described in Internal Revenue Code Section 408 (a), an individual retirement annuity described in Internal Revenue Code Section 408 (b), an annuity plan described in Internal Revenue Code Section 403 (a), or a qualified trust described in Internal Revenue Code Section 401 (a), that accepts the Distributee's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to the surviving spouse, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity.
  - (III) Distributee: A "Distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under the eligible domestic relations order act, Act No. 46 of the Public Acts of 1991, are Distributees with regard to the interest of the spouse or former spouse.
  - (IV) Direct Rollover: A "Direct Rollover" is a payment by the Retirement System to the Eligible Retirement Plan specified by the Distributee.
- (B) If a distribution is one to which sections 401(a)(11) and 417 of the Internal Revenue Code do not apply, such distribution may commence less than 30 days after the notice required under section 1.411(a)-11(c) of the Income Tax Regulations is given, provided that:
- (I) The Retirement Commission clearly informs the Member that the Member

has a right to a period of at least 30 days after receiving the notice to consider the decision of whether or not to elect a distribution (and, if applicable, a particular distribution option), and

- (II) The Member, after receiving the notice, affirmatively elects a distribution.
- (2) This subsection shall apply to distributions made after December 31, 2001.
- (A) For purposes of the Direct Rollover Provisions in this section, an Eligible Retirement Plan shall also mean an annuity contract described in section 403(b) of the Internal Revenue Code and an eligible plan under section 457(b) of the Internal Revenue Code which is maintained by a state or political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state and which agrees to account separately for amounts transferred into such plan from this Retirement System. The definition of Eligible Retirement Plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Internal Revenue Code, or an eligible domestic relations order under the eligible domestic relations order act.
  - (B) For purposes of the Direct Rollover provisions in this section, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax Employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in section 408(a) or (b) of the Internal Revenue Code, or to a qualified defined contribution plan described in section 401(a) or 403(a) of the Internal Revenue Code that agrees to account separately for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

Employees' Savings Fund:

Section 38.

- (a) The Employees' Savings Fund is hereby continued. It shall be the fund in which shall be accumulated, at Regular Interest, the contributions deducted from the Compensations of Members; and from which shall be made refunds and transfers of Accumulated Contributions as provided in this Ordinance.
- (b) (1) City of Mt. Morris, Sanitary Sewers, Community Mental Health, and District Library classifications - a Member shall contribute 5% of the Member's Compensation. Effective September 24, 1990, the Sanitary Sewers non-union Members shall contribute 2% of the Member's Compensation, said percentage reduced to 1% effective January 1, 1991, and further reduced to .5% effective January 1, 1992. Effective January 1, 1991, the District Library non-union Members shall contribute 3.5% of the Member's Compensation, said percentage reduced to 2.0% effective January 1, 1992 and further reduced to .50% effective January 1, 1993. Effective January 1, 1998, non-union Members of the District Library hired after January 1, 1998 shall contribute 1.0% of the Member's Compensation. Effective June 1, 2004, non-union Directors of the District Library hired on or after June 1, 2004 shall contribute 5.0% of the Member's Compensation. Effective July 1, 2006, a non-union Employee of Sanitary Sewers who has more than eight (8) years of Credited Service as of March 31, 2006 shall contribute two percent (2%) of the Employee's annual Compensation, and Sanitary Sewers non-union Employees with less than eight (8) years of Credited Service as of March 31, 2006 shall contribute four percent (4%) of the Employee's annual Compensation. However, a Member, who is a member of a union, shall contribute the percentage of the Member's annual Compensation as is stated in the

Applicable Union Contract.

- (2) Road Commission benefit classification - a Member who is not a member of a union, shall contribute 6% of the Member's annual Compensation. However, a Member, who is a member of a union, shall contribute the percentage of the member's annual Compensation as is stated in the Applicable Union Contract.
  - (3) General County - General County Members, including judges and members of the Board of County Commissioners, shall contribute .5% of the Member's annual Compensation with payments deducted biweekly from the Member's Compensation. However, effective September 29, 2012, all General County Members, shall contribute 7.0% of the Member's annual Compensation with payments deducted biweekly from the Member's Compensation. However, a Member, who is a member of a union, shall contribute the percentage of the Member's annual Compensation as is stated in the Applicable Union Contract.
  - (4) As an alternative to that percentage of annual Compensation required to be contributed by a Member as set out above, the Employer of any Member in any of the above classifications may, for any of its Employees, designate to the Retirement Commission a lesser percentage of annual Compensation required to be contributed by the Member and the Employer shall contribute to the Retirement System the difference between the applicable above-specified contribution percentage and the Employer-designated Member's lesser contribution percentage. However, a Member, who is a member of a union, shall contribute the percentage of the Member's annual Compensation as is stated in the Applicable Union Contract.
- (c) The officer or officers responsible for preparing the payroll of an Employer shall cause the contribution provided in subsection (b) of this section to be deducted from the Compensation of each Member on each and every payroll, for each and every payroll period, so long as he continues to be a Member. When deducted the said contributions shall be paid to the Retirement System and shall be credited to the individual Employees' Savings Fund account of the Member from whose Compensation said deduction was made. Every Member shall be deemed to consent and agree to the deductions made and provided for herein and payment of his Compensation less said deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the Services rendered by the Member during the period covered by such payment, except as to benefits provided by the Retirement System. The Member's contributions shall be made notwithstanding that the minimum Compensation provided by law for any Member shall be thereby changed.
  - (d) In addition to the contributions deducted from the Compensation of a Member, as hereinbefore provided, he shall deposit in the Employees' Savings Fund, by a single contribution or by an increased rate of contribution as approved by the Retirement Commission, the amount, if any, he withdrew from the fund, together with interest compounded annually thereon from the date of withdrawal to the date of repayment. In no case shall any Member be given credit for Service rendered prior to the date he withdrew his Accumulated Contributions until he returns to the Employees' Savings Fund all amounts due the fund by him.
  - (e) Upon Retirement of a Member his Accumulated Contributions shall be transferred from the Employees' Savings Fund to the Retirement Reserve Fund. At the expiration of a period of one year and eleven months from the date an Employee ceases to be a Member, for any reason other than his or her Retirement, any outstanding balance to the individual's credit in the Employees' Savings Fund unclaimed by the individual or the individual's legal representative shall be transferred to the Retirement Reserve Fund, provided that no Retirement Allowance is payable or will be payable by the Retirement System on account of the individual's membership in the Retirement System. In the event a former Member requests credit, in accordance with the Reciprocal Retirement Act or other applicable law, for Accumulated Contributions previously transferred to the Retirement Reserve Fund, the Retirement Commission shall transfer the appropriate amount back from the Retirement Reserve Fund to the Employees' Savings Fund.

- (f) Once a probate judge has contributed for not less than twenty (20) years as a Member of this Retirement System, the County Board of Commissioners may allow the probate judge to cease further contributions to this Retirement System pursuant to his written request, and that commencing on the effective date of cessation as contained in said Member's request, no further contributions shall be required of said Member and no further Service credit shall be allowed for purposes of Retirement benefits provided in this Retirement System, and that payment of a Retirement Allowance, if any, shall be suspended during the active judicial service period of said probate judge and shall begin upon his separation from judicial office.
- (g) Employer Pick-up Arrangement.
- (1) This section is enacted pursuant to section 414(h) of the Internal Revenue code and shall be applicable only to members of those collective bargaining units who have negotiated with the County for the inclusion of this section in its applicable current collective bargaining agreement
  - (2) An Employer Pick-up Arrangement is established whereby a percentage of employee contributions to the Retirement System shall be paid by the County in lieu of contributions by the employees.
  - (3) The terms and conditions of the Employer Pick-up Arrangement shall be in accordance with the provisions of 414(h)(2) of the Internal Revenue Code, related Treasury Regulations, and other applicable law.
  - (4) Upon implementation, solely for the purpose of compliance with Section 414(h) of the Internal Revenue Code, the County shall pick-up a percentage of member contributions required by the Retirement System for all salary earned by the member after implementation.
  - (5) The provisions of this section are mandatory, and the member shall have no option concerning the pick-up or to receive the contributed amount directly instead of having it paid by the County to the Retirement System.
  - (6) In no event may implementation occur other than at the beginning of a pay period.
  - (7) Member contributions picked-up under the provisions of this section shall be treated as County contributions for purposes of determining the income tax obligations under the Internal Revenue Code; however, such pick-up member contributions shall be included in the determination of the member's gross annual salary for all other purposes under federal and state laws.
  - (8) Member's contributions picked-up under this section shall continue to be designated member contributions for all purposes of the Retirement System and shall be considered part of the member's salary for purposes of determining the amount of the member's contribution.
- (h) Employer Pick-up Arrangement – Sanitary Sewers Non-Union Members and General County Non-Union Members.
- (1) This section is enacted pursuant to section 414(h) of the Internal Revenue code and shall be applicable only to Sanitary Sewers non-union Members and General County non-union Members.
  - (2) An Employer Pick-up Arrangement is established whereby a percentage of employee contributions to the Retirement System shall be paid by the Employer in lieu of contributions by the Employees.

- (3) The terms and conditions of the Employer Pick-up Arrangement shall be in accordance with the provisions of 414(h)(2) of the Internal Revenue Code, related Treasury Regulations, and other applicable law.
  - (4) Upon implementation, solely for the purpose of compliance with Section 414(h) of the Internal Revenue Code, the Employer shall pick-up a percentage of Member contributions required by the Retirement System for all salary earned by the Member after implementation.
  - (5) The provisions of this section are mandatory, and the Member shall have no option concerning the pick-up or to receive the contributed amount directly instead of having it paid by the Employer to the Retirement System.
  - (6) In no event may implementation occur other than at the beginning of a pay period.
  - (7) Member contributions picked-up under the provisions of this section shall be treated as Employer contributions for purposes of determining the income tax obligations under the Internal Revenue Code; however, such pick-up Member contributions shall be included in the determination of the Member's gross annual salary for all other purposes under federal and state laws.
  - (8) Member's contributions picked-up under this section shall continue to be designated Member contributions for all purposes of the Retirement System and shall be considered part of the Member's salary for purposes of determining the amount of the Member's contribution.
  - (9) Upon implementation of the Employer Pick-up Arrangement, Sanitary Sewers non-union Members with more than eight (8) years of Credited Service on March 31, 2006 shall contribute three (3%) of annual Compensation; however, Sanitary Sewers non-union Members with less than eight (8) years of Credited Service on March 31, 2006 shall contribute five (5%) of annual Compensation.
- (i) Upon implementation of the Employer Pick-Up Arrangement, General County non-union Members shall contribute 7.0% of annual Compensation.

Retirement Reserve Fund:

Section 39.

The Retirement Reserve Fund is hereby continued. It shall be the fund from which shall be paid all Annuities, Pensions, and Retirement Allowances, payable as provided in this Ordinance. Should any Retirant who retired with a disability Retirement Allowance be returned to the employ of the Employer from which he retired his Annuity Reserve as of the date of his return shall be transferred from the Retirement Reserve Fund to the Employees' Savings Fund and shall be credited to his individual account therein; and his Pension Reserve as of the date of his return shall be transferred from the Retirement Reserve Fund to the Pension Reserve Fund.

Pension Reserve Fund:

Section 40.

- (a) The Pension Reserve Fund is hereby continued. It shall be the fund in which shall be accumulated reserves for the Pensions payable as provided in this Ordinance. Upon the basis of such mortality and other tables of experience, and Regular Interest, as the Retirement Commission shall from time to time adopt, the actuary shall annually compute (1) the Annuity Reserves and Pension Reserves for Retirement Allowances being paid Retirants and Beneficiaries, and (2) the Pension Reserves for Services rendered and to be rendered by

Members. The Pension Reserves so computed shall be financed by annual appropriations to be made by the Employers and determined as hereinafter provided in this subsection. The Retirement Commission may establish such groups of Members as it deems proper for the purpose of computing such reserves and determining such appropriations.

- (1) The annual appropriation for each group of Members' current Service shall be a percent of their annual Compensation which will be an amount which if paid annually by the Employer during their future Service will be sufficient to provide the Pension Reserves at the time of their Retirements, for the portions of the Pensions to be paid them based upon their future Service.
  - (2) The annual appropriation for each group of Members' accrued Service shall be a percent of their annual Compensations which will be an amount which if paid annually by the Employers over a period of years, to be determined by the Commission, will amortize at Regular Interest the unfunded Pension Reserves, if any, for the accrued Service portions of the Pensions to be paid them upon their Retirements.
  - (3) The appropriation for Pensions being paid Retirants and Beneficiaries shall be a percent of the annual Compensations of Members which will be an amount which if paid annually by the Employers over a period of years, to be determined by the Commission, will amortize at Regular Interest the unfunded Annuity and Pension Reserves, if any, for Annuities and Pensions being paid Retirants and Beneficiaries.
- (b) Upon receipt of the Annual Actuarial Valuation, the pension reserves for retiring members, and pensions payable to a beneficiary on account of death of a member occurring during the prior year, shall be transferred from the Pension Reserve Fund to the Retirement Reserve Fund. The Commission may from time to time transfer from the Pension Reserve Fund to the Retirement Reserve Fund such additional amounts as it determines to be necessary for the proper maintenance of the Retirement Reserve Fund.

Income Fund/Expense Fund:

Section 41.

- (a) The Income Fund is hereby created. The Income Fund shall be the fund to which shall be credited all interest, dividends, and other income from investments of the Retirement System, all gifts and bequests received by the System, and all other monies received by the System the disposition of which is not specifically provided in this Ordinance. There shall be paid or transferred from the Income Fund all amounts required to credit Regular Interest to the Employees' Savings Fund, Retirement Reserve Fund, and Pension Reserve Fund, as provided in this Ordinance. Whenever the Commission determines that the balance in the Income Fund is more than sufficient to cover current charges to the fund such excess amount, or any part thereof, may be used to provide contingency reserves or to meet the special requirements of the other funds of the Retirement System, except the Expense Fund. Whenever the balance in the Income Fund is insufficient to meet the charges to fund the amount, such insufficiency shall be transferred from the Pension Reserve Fund to the Income Fund.
- (b) The Expense Fund is hereby continued. The Expense Fund shall be the fund to which shall be credited all money provided by Employers to pay the administrative expenses of the Retirement System and from which shall be paid all expenses necessary in connection with the administration of the Retirement System.

Investment of Retirement System Assets:

Section 42.

- (a) The Retirement Commission shall be the trustees of the assets of the Retirement System and shall have full power to invest and reinvest such assets in accordance with the provisions of Act

No. 314 of the Public Acts of 1965, and as the act might from time to time be amended or superseded.

- (b) The Commission shall have full power to hold, sell, assign, transfer, and dispose of any securities and investments in which any monies of the Retirement System have been invested, as well as the proceeds of said investments, and any monies belonging to the System. There shall be kept on deposit available cash not to exceed 5 percent of the assets of the System.

Assets not Segregated:

Section 43.

All assets of the Retirement System shall be held for the sole purpose of meeting disbursements for Annuities, Pensions, Retirement Allowances, and other payments, authorized by this Retirement Ordinance and shall be used for no other purpose. The description of the various funds of the System shall be interpreted to refer to the accounting records of the System and not to the segregation of monies in the funds of the System.

Allowance of Regular Interest:

Section 44.

The Retirement Commission shall, at the end of each fiscal year, allow and credit Regular Interest computed on the Member's individual balances in the Employees' Savings Fund at the beginning of the fiscal year; and on the mean balances in the Retirement Reserve Fund and the Pension Reserve Fund. The amounts of Regular Interest so allowed and credited shall be debited to the Income Fund.

Method of Making Payments:

Section 45.

All payments from the funds of the Retirement System shall be made according to provisions of law, this Ordinance, and County procedure, only upon regular County vouchers signed by 2 persons designated by the Retirement Commission. A duly attested copy of a resolution adopted by the Retirement Commission designating such persons and bearing upon its face specimen signatures of such persons shall be filed with the County Controller as his authority for making payments upon such vouchers. No voucher shall be drawn unless it shall have been previously authorized by a specific or continuing resolution adopted by the Retirement Commission.

Assignments Prohibited:

Section 46.

The right of a Person to an Annuity, a Pension, a Retirement Allowance, to the return of Accumulated Contributions, the Annuity, the Pension, or the Retirement Allowance itself, any optional benefits, and any other right accrued or accruing to any Person under the provisions of this Ordinance, and any monies belonging to the Retirement System may not be diverted to or used for other than the exclusive benefit of the Members or their Beneficiaries and shall not be subject to execution, garnishment, attachment, the operation of bankruptcy or insolvency law, or any other process of law whatsoever, and shall be inalienable and unassignable except as is specifically authorized by statute (e.g., 1982 P.A. 295, 1985 P.A. 43) or as is specifically provided in this Retirement System Ordinance. If a Member is covered under a group insurance or prepayment plan participated in by the County or his Employer, and should he be permitted to, and elect to, continue such coverage as a Retirant, he may authorize the Retirement Commission to have deducted from his Retirement Allowance the payments required of him to continue coverage under such group insurance or prepayment plan. The County or an Employer has the right of setoff for any claim arising from embezzlement or by fraud of a Member, Retirant, or Beneficiary.

The right of a Member, deferred vested Member who meets the requirements of Section 26, or retired



Member to a Pension, to the return of Member contributions, to any optional benefit, or any other benefit under this Ordinance is subject to award by a court pursuant to Section 18 of Chapter 84 of the revised statutes of 1846, being Section 552.18 of the Michigan Compiled Laws, and to any other order of a court pertaining to alimony or child support. The right of a Member, deferred vested Member under Section 26, or retired Member to a Pension, to the return of Member contributions, to any optional benefits, or to any other benefit under this Ordinance is subject to an eligible domestic relations order under Act 46 of the Public Acts of 1991, the eligible domestic relations order act, as amended [MCL 38.1701 et seq.], pursuant to MCL 552.18.

If an award or order described in the foregoing paragraph requires the Retirement System to withhold payment of a Pension, deferred Pension, Accumulated Contributions, or other benefit from the Person to whom it is due or requires the Retirement System to make payment or requires the Person to request that the Retirement System make payment of a Pension, deferred Pension, Accumulated Contributions, or other benefit, for the purpose of meeting the Person's obligations to a spouse, former spouse or child, as provided in said paragraph, the withholding or payment provisions of the award or order is effective only against such amounts as they become payable to the Person receiving a Retirement Allowance unless otherwise provided in an eligible domestic relations order under the eligible domestic relations order act, as amended [MCL 38.1701 et seq.], pursuant to MCL 552.18. The limitation contained in this subsection does not apply to the Accumulated Contributions of a Person who terminates employment before acquiring a vested Member status.

For purposes of eligible domestic relations order computations pursuant to the eligible domestic relations order act, Act 46 of the Public Acts of 1991, as amended [MCL 38.1701 et seq.], pursuant to MCL 552.18, the Retirement System shall use the interest rates and underlying unisex mortality table specified by the Pension Benefit Guaranty Corporation (PBGC) for calculating the actuarial present value of immediate and deferred pensions under a terminated pension plan as provided in Part 2619 of Subchapter C or Chapter XXVI of Title 29 of the Code of Federal Regulations, 29 C.F.R. Part 2619. Interest rates used for eligible domestic relations order calculations shall be the rates specified by the PBGC for the second month preceding the date of commencement of the alternate payee's benefit.

#### Errors/Protection Against Fraud:

##### Section 47.

- (a) Errors: Should any change in the records result in any Person receiving from the Retirement System more or less than he would have been entitled to receive had the records been correct, the Retirement Commission shall correct such error, and as far as practicable shall adjust the payment in such manner that the actuarial equivalent of the benefit to which the said Person was correctly entitled shall be paid; provided, however, that for errors discovered on or after January 1, 2001, a Person receiving more than he or she would have been entitled not as a result of the non-disclosure, fraud, misrepresentation, or other fault of that Person or of the Person through whom that Person is due benefits, shall not have such payments occurring more than three (3) years prior to the discovery of the error considered in the adjustment. Notwithstanding the foregoing, if the Person or the Person through whom that person is due benefits (i) provided incorrect information which caused the error, (ii) failed to provide information that was necessary to calculate the payment correctly, (iii) caused the providing of incorrect information or failed to provide necessary information, or (iv) knew or reasonably should have known that he or she was in receipt of an erroneous payment, all such payments, including payments occurring more than three (3) years prior to the discovery of the error, shall be considered in the adjustment.
- (b) Protection Against Fraud: Whoever with intent to deceive shall make any statements and/or reports required under this Ordinance which are untrue, or shall falsify or permit to be falsified any records of the Retirement System, or who shall otherwise violate, with intent to deceive, any of the provisions of this Ordinance, shall be guilty of a misdemeanor and upon conviction shall be fined not to exceed \$500.00, plus costs of prosecution, or sentenced to 90 days imprisonment, or both, in the discretion of the court.

#### Subrogation Provision:

Section 48.

In the event an individual becomes entitled to a Pension as the result of an accident or injury, or wrongful death caused by the act of a third party, the Employer shall be subrogated to the rights of the said individual against such third party to the extent of the costs due to sick leave, life insurance, and/or workers compensation which the Employer was, is, or shall be obligated to pay, as determined by the Retirement Commission.

Laws Inconsistent Repealed:

Section 49.

All provisions of law, ordinance, resolution, or local act inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency insofar as authority vested in the Board of Commissioners to repeal same.

Savings Provision:

Section 50.

If any part of this Ordinance or the application thereof to any office, position, Person or Retirement, or to any class of any of those, or to any time, period of time, circumstance or class of circumstances, is for any reason held by a court to be invalid or unconstitutional, such holding shall not affect the remaining parts or applications of this Ordinance which can be given effect without the invalid or unconstitutional portion or application, provided the relevant remaining parts or applications are not determined by the court to be inoperable, and to this end the provisions and applications of this Ordinance are made severable.

Employers Declared Reciprocal Units of Government:

Section 51.

As to the Retirement System established by this Ordinance, Genesee County and each other Employer is hereby declared to be and is made a reciprocal unit of government under and subject to the Reciprocal Retirement Act, Act No. 88 of the Michigan Public Acts of 1961, as amended, MCL 38.1101 et seq., the provisions of which public act are hereby adopted and made a part of the Ordinance.

Post-Retirement Adjustments:

Section 52.

(a) The Retirement Commission will annually redetermine the Pensions of Qualified Recipients, in accordance with subsection 12a(10) of Act Number 156 of the Public Acts of 1851 as amended, MCL 46.12a(10), and this subsection of this Ordinance. Terms defined in this subsection are so defined for purposes of this subsection only. Redeterminations made pursuant to this subsection will be made in accordance with the following provisions:

- (1) Redeterminations will be made for each calendar year, commencing with 2001.
- (2) Qualified Recipients for each year's redetermination will be retirees who: a) at the time of their last employment by an Employer were not officers, agents, or contractors of that Employer, within the meaning of Article 11, Section 3 of the Constitution of 1963; b) retired prior to January 1, 2001; and c) are otherwise eligible for that year's redetermination. Retirees otherwise eligible for the redetermination for 2001 are those who retired prior to January 1, 1993. For each redetermination subsequent to that for 2001, the date by which the retiree must have retired, to be otherwise eligible, will be one year later than the applicable date for the immediately preceding redetermination.

Beneficiaries of deceased retirees, who are receiving Retirement Allowances from the System, also will be Qualified Recipients if their respective retirees would have been Qualified Recipients if they had been still living on December 1 of the year for which the redetermination is being made.

- (3) The redetermination for each year will be made as of December 1 of that year. The provisions of subparagraph (2) above notwithstanding, an additional requirement of being a Qualified Recipient is that one be entitled, without reference to this subsection, to receive a Retirement Allowance as of December 1 of the year for which the redetermination is being made.
  - (4) The redetermined Pension for each year will be the sum of: a) the Base Pension, which is the Pension payable under this Ordinance without inclusion of any Adjustment Amount, being an Adjustment Amount under this subsection as amended by the Genesee County Board of Commissioners on or after November 10, 1997, but also without inclusion of any non-permanent adjustment previously approved by the Retirement Commission; and b) the Adjustment Amount, if any. Each redetermination shall be applicable only for the year for which made. The Base Pension is the minimum Pension payable under this Ordinance and will be payable for each year unless and until an Adjustment Amount is added.
  - (5) Additional Investment Earnings are the amount, if any, by which investment earnings attributable to the assets in the Retirement Reserve Fund (which fund also has been denominated, by the Retirement Commission's actuary, as the reserve for retired benefit payments), for the calendar year immediately preceding the year for which the redetermination is being made, at the approximate nominal investment return rate stated for that preceding year, by the Retirement Commission's actuary in the annual actuarial valuation, would exceed what those earnings would have been had the return rate been 8%, plus the total of all adjustment amounts calculated pursuant to subparagraph (7) below.
  - (6) If there are any Additional Investment Earnings, the Qualified Days will be calculated for each Qualified Recipient. Qualified Days will be the total days of Credited Service of the retiree plus the elapsed days from Retirement through November 30 of the year for which the redetermination is being made.
  - (7) The Adjustment Amount as to each Qualified Recipient will be determined by multiplying the number of Qualified Days for that Qualified Recipient by \$0.045.
  - (8) The Adjustment Amount for each year will be paid in a single payment, as of December 1 of that year.
  - (9) All above provisions of this subsection notwithstanding, no Adjustment Amount shall either contravene, or cause a Retirement Allowance to contravene, either the requirements of the Internal Revenue Code for tax qualification of the Genesee County Employees' Retirement System or the requirements of MCL 46.12a. In the event an Adjustment Amount would contravene, or so cause contravention of, any such requirements, that Adjustment Amount will be limited to the maximum amount, if any, as would not so contravene or so cause contravention.
- (b) General County, Community Mental Health, Sanitary Sewers, and Genesee District Library Authority: Employees who are not members of unions shall be entitled to the following Retirement Allowance adjustment benefit, and Employees who are members of unions shall be entitled to the Retirement Allowance adjustment as stated in the Applicable Union Contract.
- (1) The Pensions of Employees retiring shall be adjusted by up to two percent (2%) per year for the first five (5) years of Retirement beginning with January 1st after the Employee has been retired one full year and, effective September 24, 1990, for Members who are

Sanitary Sewers Employees said adjustment shall be up to three percent (3%) per year for the first five (5) years of Retirement beginning with January 1st of the first January following the Employee's Retirement. The adjustment shall be based on the official Consumer Price Index for Urban Wage Earners and Clerical Workers (including single workers) - "all items", published by the Bureau of Labor Statistics, U.S. Department of Labor (1967 = 100) and hereinafter referred to as the B.L.S. Consumer Price Index. Effective January 1, 1993, the Pensions of only Genesee County Employee Members who are appointed officials or appointed officers (except holders of elective office, which exception shall terminate effective January 1, 1995 for said holders of elective office other than the Chairperson and other members of the Board of County Commissioners, and which exception shall terminate effective upon commencement of the 1995-96 term of office on January 1, 1995 for the Chairperson and other members of the Board of County Commissioners), or exempt Employees, or non-union classified Employees, retiring on or after said date, and effective January 1, 1997 at 12:00 noon, the Pensions of all other General County Employees who are not members of a County employee labor organization, retiring after said date and time, shall be adjusted by three percent (3%) for each of the first five (5) years following Retirement, the initial adjustment shall be payable with the next Retirement Allowance payment to be made after the completion of one (1) full year of Retirement, and the adjustment shall not be based on the B.L.S. Consumer Price Index, and any prior year adjustment shall not be included in computing the subsequent year Retirement Allowance. Effective July 1, 2002, for Members who are Water and Waste Services (Sanitary Sewers) non-union Employees, said adjustment shall be three and one-half percent (3.5%) of the initial Pension amount for each of the five (5) years beginning after completion of two (2) full years of Retirement, and the adjustment shall not be based on the B.L.S. Consumer Price Index, and any prior year adjustment shall not be included in computing the subsequent year Retirement Allowance.

- (2) The adjustment will be effective with the check for January which is paid at the end of January. The B.L.S. Consumer Price Index for the twelve (12) month period ending with November (September for Sanitary Sewers) of the previous year shall be used.
- (3) The amount of any Pension adjustment shall be one percent (1%) for each two percent (2%) increase in the B.L.S. Consumer Price Index during the base period. Changes in the index which result in an adjustment of more than one and one-half percent (1 1/2%) will result in an adjustment of one percent (1%), but a change in the index which would result in an adjustment of one and one-half percent (1 1/2%) or less will be computed at the next lower percent.
- (4) In the event of a decline in the B.L.S. Consumer Price Index in any base period a wage adjustment shall be made in the reverse order that the upward adjustments in rates were provided in subsection (3) above, except for Sanitary Sewers non-union Employees and Sanitary Sewers Employees who are members of Local 1918 of the American Federation of State, County, and Municipal Employees Union who shall not suffer any reduction in any adjustment below the Pension amount computed at the beginning of the five (5) year period..
- (5) In the event the B.L.S. does not issue the Consumer Price Index on or before January 15th, any adjustments required will be made on the next Pension check or on the earliest check when the Consumer Price Index is made available.
- (6) No adjustments retroactive or otherwise shall be made due to any revisions which may later be made in the published figures for the B.L.S. Consumer Price Index for any base month.
- (7) The continuance of any adjustment is dependent on the availability of the monthly B.L.S. Consumer Price Index in its present form and calculated on the same basis as the B.L.S. Consumer Price Index published in October of the preceding year.

- (c) Employees of the Genesee County Road Commission and Sanitary Sewers (also denominated Water and Waste Services), who are members of unions shall be entitled to adjustment of original Pension amount per year as stated in the Applicable Union Contract. An exempt Employee of the Genesee County Road Commission or Sanitary Sewers shall receive a three percent (3%) increase on the original Pension amount annually, not compounded, in each of the five (5) years after date of Retirement; provided however, that in the case of an exempt Employee of Sanitary Sewers, his or her date of Retirement is on or after June 1, 2000; and provided further, that in the case of an exempt Employee of Sanitary Sewers who is an appointed official or officer, his or her Retirement date is on or after October 1, 2001.
- (d) [REPEAL AND RESERVE.]

Reemployment of a Retirant within the Retirement System.

Section 53.

Payment of a Pension or Retirement benefit to a Retirant of this Retirement System shall be suspended if the Retirant is employed by any Employer-member of this Retirement System. Suspension of the payment of the Pension or Retirement benefit shall become effective the first day of the calendar month that follows the sixtieth day after the Retirant is so employed. Payment of the Pension or Retirement benefit shall resume on the first day of the calendar month that follows termination of the employment. Payment of the Pension or Retirement benefit shall be resumed without change in amount or conditions by reason of the employment. The Retirant shall not be a Member of the Retirement System during the period of employment. Effective December 14, 2011, Genesee County Board of Commissioners Resolution 11-499, establishing the Genesee County Policies and Procedures Relating to a County or a County Funded Court Obtaining Services From a County or Court Retiree, shall apply to all Employer participants of the Retirement System.

Genesee County Early Retirement Incentive Program:

Section 54.

- (a) For purposes of this Section 54, the following words and phrases shall have the following respectively indicated meanings:
- (1) The "Unions" means American Federation of State, County and Municipal Employees (AFSCME) Local 496 Chapters 00 and 01, AFSCME Local 916 Chapters A, B, C and H, the Genesee County Social Service Workers Union. (The Social Service Workers Union), the Court Officers Protective Society, the Service Employees International Union Local 79, American Federation of Labor Council of Industrial Organizations (SEIU Local 79) (representing Storm Drain Maintenance Personnel classified as Heavy and Light Equipment Operations and Laborers) and the Park Maintenance Employees Teamsters Local 214 (the Park Maintenance Employees Local 214), the Judicial Secretaries Union, the Sheriff Department Employees Union (American Federation of State, County and Municipal Employees, Local 2259), the Sheriff Department Sergeants and Lieutenants Union (American Federation of State, County and Municipal Employees, Local 916, Chapters F and G), and the Friend of the Court Supervisors Union (Teamsters Local 214); and the Association of Official Court Stenographers.
  - (2) "Union Employees" means all members of the Unions; provided, however, that "Union Employees" does not include Employees hired after the Program Approval Date as hereinafter defined as to Union Employees.
  - (3) "Other Covered Employees" means all Employees who do not hold a position within a County collective bargaining unit and who are within the "Genesee County" group of Employees referenced in Subsection 16(c) of this Ordinance, including but not limited to officers and department heads; provided, however, that holders of elective offices, and Employees hired after the Program Approval Date as hereinafter defined as to Other

Covered Employees, are not "Other Covered Employees."

- (4) "Covered Employees" means Union Employees and Other Covered Employees.
- (5) The "Retirement Incentive Program," or the "Program," means the benefits optionally provided in this Section.
- (6) The "County Pension Plan Committee" means the committee referenced in Subsection 12a (12) of Act No. 151 of the Public Acts of 1851, as amended, Michigan Compiled Laws Subsection 46.12a (12).
- (7) The "Union Agreement" is the respective general 1990-1992 collective bargaining agreement between Genesee County, as the Employer, and each of the respective Unions.
- (8) "Program Approval Date," or the "Approval Date," means the date on which the substance of the optional benefits of the Program have been approved. That date, respectively as to the members of each of the respective Unions, is as follows: AFSCME Local 496 Chapters 00 and 01, AFSCME Local 916 Chapters A, B, C and H, and the Social Service Workers Union, April 15, 1991; the Court Officers Protective Society, May 7, 1991; the Park Maintenance Employees - Teamsters Local 214, May 9, 1991; and SEIU Local 79, May 10, 1991; the Judicial Secretaries Union, July 30, 1991; the Sheriff Department Employees Union (American Federation of State, County and Municipal Employees, Local 2259), August 15, 1991; the Sheriff Department Sergeants and Lieutenants Union (American Federation of State, County and Municipal Employees, Local 916, Chapters F and G), July 30, 1991; and the Friend of the Court Supervisors Union (Teamsters Local 214), July 30, 1991; and the Association of Official Court Stenographers, September 24, 1991. As to Other Covered Employees, the Program Approval Date is August 14, 1991, the date on which the County Pension Plan Committee approved the amendment to this Ordinance by which this Section 54 was added thereto.
- (9) The "Offering Period Ending Date," as to Union Employees, is the date of expiration of the Union Agreement. The "Offering Period Ending Date," as to Other Covered Employees, is that date which shall be the same number of days, after the Program Approval Date as to Other Covered Employees, as is the Offering Period Ending Date as to members of AFSCME Local 496 Chapters 00 and 01 after the Program Approval Date as to such Members.
- (10) The "Offering Period" is that period commencing with the Program Approval Date and concluding with the Offering Period Ending Date.
- (11) "Generic Time" means additional Credited Service under this Ordinance, purchased pursuant to this Section. Such additional Credited Service shall have applicability for Retirement purposes only.
- (12) The "Initial Qualifying Date," as to Union Employees, means July 1, 1991. The "Initial Qualifying Date," as to Other Covered Employees, means that date which shall be the seventy-seventh (77th) day after the Program Approval Date.
- (13) "Retirement Cash Incentive" means a cash incentive provided for below in Subsection (d).
- (14) "Cash Incentive Payment Date" means the date on which payment of a Retirement Cash Incentive will be issued. As to Union Employees, the Cash Incentive Payment Date shall Be January 3, 1992. As to Other Covered Employees, the Cash Incentive Payment Date shall be the one hundred and eighty-sixth (186th) day after the Initial Qualifying Date; provided, however, that if such day is not a scheduled, regular County business day, the scheduled, regular County business day next succeeding such day shall instead be the Cash Incentive Payment Date.

- (15) "Hourly Wage Rate" means base hourly rate plus longevity rate, if any.
- (16) The "System" means the Genesee County Employees Retirement System.
- (17) The "Initial Generic Time Purchase Application Date" is the first date of the period within which applications to purchase Generic Time pursuant to subsection 54 (f) must be made. That date, as to the members of AFSCME Local 496 Chapters 00 and 01, AFSCME Local 916 Chapters A, B, C and H, and the Social Service Workers Union, and as to other covered Employees, is the same date as the Program Approval Date. The Initial Generic Time Purchase Application Date is April 15, 1991, as to the membership of the Court Officers Protective Society, and May 7, 1991, as to the members of SEIU Local 79 and the Park Maintenance Employees Local 214. The Initial Generic Time Purchase Application date is July 30, 1991, as to the membership of the Judicial Secretaries Union; August 15, 1991, as to the membership of the Sheriff Department Employees Union (American Federation of State, County and Municipal Employees, Local 2259); July 30, 1991, as to the membership of the Sheriff Department Sergeants and Lieutenants Union (American Federation of State, County and Municipal Employees, Local 916, Chapters F and G); and July 30, 1991, as to the membership of the Friend of the Court Supervisors Union (Teamsters Local 214), and September 24, 1991, as to the membership of the Association of Official Court Stenographers.

- (b) Subject to all definitions, conditions, qualifications, limitations, exceptions and other terms and provisions of this Section, Covered Employees shall have the option to elect one or more benefits of the Retirement Incentive Programs; provided, however, that, any other provision of this Section notwithstanding, and except as otherwise provided in Subsection (g) below, the Program and any benefit thereof shall not be available to Employees who are not actively employed during some part of the Offering Period; and provided further that the Program shall not be available to Other Covered Employees unless the amendment to this Ordinance, by which amendment this Section is added thereto, is approved by the County Pension Plan Committee.
- (c) The Program shall be available only during the Offering Period; provided, however, that a Covered Employee attaining twenty (20) years of Credited Services less than ninety (90) days before the end of the Offering Period and no later than the last scheduled, regular County business day within the Offering Period shall be eligible to retire within ninety (90) days thereafter and receive the benefits provided for below in Subsection (e), even though such ninety (90) days period shall extend beyond the Offering Period; and provided further that an Employee purchasing Generic Time as hereinafter provided for, may, pursuant to such Generic Time provisions, obtain credit for such purchased time, if and after the purchase is properly completed, even though such completion is after the Offering Period.
- (d) All Covered Employees who have attained either of the following minimums of Credited Service as of the Initial Qualifying Date shall be eligible to receive a Retirement Cash Incentive as respectively indicated, provided they retire no later than ninety (90) days after the Initial Qualifying Date:

| <u>Minimum Credited Service<br/>as of Initial Qualifying Date</u> | <u>Retirement<br/>Cash Incentive</u> |
|---|--------------------------------------|
| 25 years  | \$15,000.00                          |
| 24 years  | 10,000.00                            |

A Covered Employee with Credited Service as of the Initial Qualifying Date sufficient to qualify for a Retirement Cash Incentive, who does not retire on or before the ninetieth (90th) day after the Initial Qualifying Date, shall no longer be eligible for any Retirement Cash Incentive. Only Credited Service attained as of the Initial Qualifying Date, excluding any and all Generic Time that may have been purchased by an Employee, shall be used to qualify for a Retirement Cash Incentive.

Covered Employees who have attained Credited Service as provided above prior to the Initial Qualifying Date and who Retire Between the Program Approval Date and the Initial Qualifying Date shall receive the above respectively indicated Retirement Cash Incentive.

A qualifying Employee may receive both a Retirement Cash Incentive under the above provisions and the applicable Retirement Allowance provided for either below in Subsection (e) or separately from this Section.

Persons qualifying for a Retirement Cash Incentive will be issued payment on the Cash Incentive Payment Date and such payment will not be included in any Final Average Compensation.

Retirement Cash Incentives shall be paid directly by Genesee County, and not from funds of the System.

- (e) All Covered Employees who have attained a minimum of twenty (20) years of Credited Service as of the Initial Qualifying Date shall be eligible to receive a straight life Retirement Allowance option equal to fifty-five percent (55%) of Final Average Compensation, provided they retire no later than ninety (90) days after the Initial Qualifying Date.

All Covered Employees with at least twenty (20) years of Credited Service as of the Initial Qualifying Date who have attained a minimum of twenty-three (23) years of Credited Service by the date of Retirement, however, shall be eligible to receive a straight life Retirement Allowances option equal to sixty percent (60%) of Final Average Compensation, provided they retire no later than ninety (90) days after the Initial Qualifying Date.

Covered Employees who have attained Credited Service as provided above prior to the Initial Qualifying Date and who retire between the Program Approval Date and the Initial Qualifying Date shall be eligible to receive the above respectively indicated straight life Retirement option (55% of Final Average Compensation for Employees with 20 years of Credited Service or up to 23 years, 60% of Final Average Compensation for Employees with 23 years of Credited Service or up to 25 years).

The straight life Retirement options provided for hereinabove in this subsection also shall be available to all Covered Employees who attain a minimum of twenty (20) years of Credited Service after the Initial Qualifying Date and no later than the last scheduled, regular County business day within the Offering Period, provided they retire no later than ninety (90) days after attaining twenty (20) years of Credited Service.

Any Covered Employee eligible for one of the straight life Retirement Allowances provided for hereinabove in this subsection may instead, within the time frames applicable to eligibility for such straight life allowance, select a Retirement option regularly offered through this Ordinance, other than straight life allowance, and thereby receive the actuarial equivalent of the hereinabove provided for straight life allowance amount in a reduced Retirement Allowance.

Any Covered Employee who, but for this Subsection, is or shall have become entitled to a Retirement Allowance higher than that hereinabove provided for in this subsection is or shall be entitled to that higher allowance. Any Retirement Allowance received pursuant to this Subsection shall be adjustable to the same extent as provided for other allowances pursuant to Section 52 of this Ordinance.

- (f) Covered Employees shall be afforded the opportunity to purchase not more than five (5) years of Generic Time, at the rate of ten percent (10%) of the Employee's full-time annual Compensation for the year in which payment begins, multiplied by the number of years of Generic Time being purchased. Each day of Generic Time may be purchased at the rate of .0274% of the Employee's full-time annual Compensation for the year in which payment begins.

An Employee's full-time annual Compensation for the year in which payment begins, for purposes



only of calculating the purchase cost of Generic Time under the Program, shall be the product of 2,080 and the Employee's Hourly Wage Rate at the time payment begins. Part-time Employees also may purchase not more than five (5) years of Generic Time. For purposes only of calculating the purchase cost of Generic Time for a part-time Employee, such an Employee shall be deemed to have a full-time annual Compensation, which annual Compensation shall be the product of 2,080 and the Employee's Hourly Wage Rate.

Generic Time may be paid for in a lump sum, or by conversion of accumulated vacation and/or cash compensable compensatory time, or payroll deduction, or through a combination of any number of these payment methods. Amounts paid for the purchase of Generic Time, including but not limited to amounts paid by the County as the value balance, as hereinafter provided for, applied to the purchase of Generic Time through conversion of accumulated vacation and/or cash compensable compensatory time, shall be deposited with the System, as Employee contributions.

The purchase of Generic Time shall be permitted only after the cost of doing so has been calculated and confirmed by the County Retirement Office, and an application for the purchase, which application shall be made after such cost has been so confirmed, has been made through that Office. Each Employee deciding to purchase Generic Time must specify in writing the full amount that will be purchased and the method(s) of payment to be used, at the time of application to purchase Generic Time. Such application must be submitted to the Retirement Office during the period commencing with the initial Generic Time Purchase Application date and concluding with the Offering Period ending date, and prior to Retirement or other termination of employment. Payment must be made, or payments must begin, within thirty (30) days of the date of application.

Under the payroll deduction method of paying for Generic Time, monies may be paid on a biweekly basis at a minimum of twenty-five dollars (\$25.00) per pay using the following schedule:

| <u>Amount Being Paid<br/>Through Deductions</u> | <u>Maximum Payment Completion Period<br/>Measured from First Payment</u> |
|---|--|
| 0 - \$1,500                                     | one (1) year   |
| \$1,500 - 3,000                                 | two (2) years  |
| 3,000 - 4,500                                   | three (3) years  |
| above \$4,500                                   | four (4) years   |

Under the conversion of vacation and/or compensatory time method of paying for Generic Time, Employees shall be allowed to convert accumulated vacation time or cash compensable compensatory time for such amount of Generic Time as could be purchased with the value balance described below. Vacation and cash compensable compensatory time shall be valued on the basis of the Employee's Hourly Wage Rate at the time payment begins. Income and Social Security Taxes shall be withheld on the basis of such value at the time of the conversion, and the amount of Generic Time so purchased shall be based upon the value balance remaining after such withholding. The arrangement to purchase the Generic Time shall specify the date(s) on which such vacation or compensatory time is to be so exchanged. As to each of these two types of time, not more than two exchange dates shall be permitted. The value of vacation time or cash compensable compensatory time used to buy Generic Time shall not be included in the computation of Final Average Compensation.

Each Employee shall be allowed only one application and arrangement for purchase. Once an arrangement for purchase is made, the arrangement (whether as to the amount of Generic Time to be purchased, the timing or method of payment for it, or some combination of these) shall not thereafter be adjusted more than once; provided, however, that a total balance owing under a payment method or combination of methods other than lump sum may be satisfied through a lump sum payment even though there has been one previous adjustment in the arrangement. In any event, payment for the total arranged purchase must be completed by the completion date arranged or, if the Employee should retire or experience other termination of employment before the date arranged for such completion, before such Retirement or other termination.

No purchased Generic Time will be applied as Credited Service unless and until the full amount arranged to be purchased has been paid for in accordance with the above provisions.

Employees exercising this option to purchase Generic Time who do not retire on or before ninety (90) days after the later of the Approval Date or the attaining of twenty (20) years of Credited Service shall forfeit all purchased Generic Time. Employees exercising this option who do not attain a minimum of twenty (20) years of Credited Service during the Offering Period must retire no later than ninety (90) calendar days after attaining the minimum amount of Credited Service needed to retire.

Failure to pay in accordance with the above provisions for all Generic Time arranged to be purchased, and failure to retire within the above specified ninety (90) days, shall each result in forfeiture of all purchased Generic Time. In such event, and subject to the remaining provisions of this paragraph with respect to cases where Generic Time was purchased through conversion of accumulated vacation or compensatory time, refund of contributed monies plus interest, if any, shall be made to the Employee following application for refund. The conditions for payability, and the rate, of such interest, if any, shall be equivalent to the conditions and rate applicable to refunds of other Employee contributions under the System. In those cases where accumulated vacation time and/or cash compensable compensatory time have been utilized to purchase subsequently forfeited Generic Time, the vacation time and/or the cash compensable compensatory time shall be reinstated and the money that was paid by the County to the System for the purchase of such time, plus interest, shall be refunded to the County. Where reinstatement of vacation time would cause an Employee to exceed the maximum amount of vacation time that may be accumulated, such maximum shall be waived until the earlier occurring of such excess vacation time being utilized or the passage of two (2) years from the date of reinstatement.

- (g) The Program shall be available to any Covered Employee who is on layoff, sick leave or workers' compensation on the Approval Date, whose employment relationship has not terminated as of the Approval Date, under the provisions of the Union Agreement, or of any amendment thereto, as to Union Employees, or otherwise as to Other Covered Employees, all subject however to the remaining provisions of this paragraph. The application of such an Employee to purchase Generic Time must be made within the first one hundred twenty (120) calendar days immediately following the Approval Date. The annual Compensation used in calculating the purchase cost of Generic Time for such an Employee shall be the product of 2,080 and the Employee's Hourly Wage Rate on the last day worked prior to going on layoff, sick leave or workers' compensation. Such Hourly Wage Rate also shall be used in calculating the value of any vacation and/or cash compensable time for such an Employee, for purposes of a purchase of Generic Time.
- (h) Pursuant to an April 15, 1991, collectively bargained Addendum to the amendment to the Union Agreement with AFSCME Local 496 Chapters 00 and 01, only as to the Union Employee holding the position of Retirement Coordinator on April 15, 1991, and in order to permit efficient implementation of the Program, and other provisions of this Section notwithstanding, the Initial Qualifying Date shall be October 1, 1991, and any action which, but for this Subsection (h) could obtain one or more Program benefits for such Employee only if taken on or before ninety (90) days after the Initial Qualifying Date may instead be taken, with the same result as if taken within such ninety (90) day period, if taken no later than January 28, 1992.
- (i) The provisions of the above Subsections of this Section notwithstanding, whenever, pursuant to any such provision, the last day for any action permitted by this Section would not coincide with a scheduled, regular County business day, such action may be taken, with the same effect as if taken on such otherwise last permitted action day, on the scheduled, regular County business day next succeeding such otherwise last permitted action day.
- (j) The provisions of this Section 54 shall govern over other provisions of this Ordinance to the extent of any inconsistency therewith. Such other provisions shall, however, remain fully effective in applicabilities not inconsistent with this Section.
- (k) Effective November 7, 1995, any of the above provisions of this Section 54 notwithstanding, any

Other Covered Employee of Genesee County, who is exercising the option to purchase Generic Time through the payroll deduction method of paying for General Time, shall have two (2) additional years to complete the arrangement made for the purchase. Effective June 25, 1996, however, any of the above provisions of Section 54 notwithstanding, any Other Covered Employee of Genesee County, who is exercising the option to purchase Generic Time through payroll deduction method of payment, may make one more adjustment in payment schedule than the Employee could have made on or after that date had this provision not been adopted, and, if the Employee either continues to use payroll deduction method to purchase or, while that method is still being used, pays any remaining balance in a lump sum, may complete the purchase within three years additional to the maximum payment completion period that would have been applicable without reference to this subsection.

- (l) Effective December 17, 2002, any of the above provisions of this Section 54 notwithstanding, all Employees who do not hold a position within a County collective bargaining unit and who are within the "Genesee County" group of Employees referenced in Subsection 16 (c) of this Ordinance, including but not limited to officers and department heads, except holders of elective offices, who have completed the purchase of time pursuant to the Generic Time Agreement shall not be required to retire upon attaining twenty-three (23) years of Credited Service provided written notice of the Employee's desire to remain employed is delivered to the Retirement Office at least thirty (30) calendar days prior to the completion of twenty-three (23) years of Credited Service. In that event, the Employee's contribution rate shall increase to five percent (5%) of gross earnings, deducted biweekly, effective upon completion of twenty-three (23) years of Credited Service. The Generic Time Agreement is the arrangement for purchase of Generic Time which was entered into by the Employee pursuant to this Section.

Board of County Road Commissioners:

Section 55.

Effective January 26, 1993, and any other provision of this Ordinance notwithstanding:

- (a) No person appointed to the Board of County Road Commissioners of the County of Genesee for any term of office commencing on or after January 1, 1995, shall be, for purposes of this Ordinance, either an Employee of an Employer or a Member of the System, by reason of serving on that Board for all or any part of such term.
- (b) No person who shall have been serving as a member of the Board of County Road Commissioners of the County of Genesee on December 31, 1994, and who shall continue to so serve on January 1, 1995, shall receive any Service credit for services on that Board on or after January 1, 1995, and no further Employer or Employee contribution of funds shall thereafter be payable to the System on behalf of such person with respect to such continued service, and such person may elect, for purposes of this Ordinance, to have the status of one who ceased to serve on that Board at the close of December 31, 1994.

Termination of the Retirement Ordinance:

Section 56.

In the event of the termination of the Ordinance, or upon complete discontinuance of contributions under the Ordinance, the rights of all Members to benefits accrued to the date of such termination or discontinuance to the extent then funded shall be nonforfeitable.

Establishment of Defined Contribution Trust:

Section 57.

- (a) This Ordinance provides for a defined benefit pension plan and a trust therefor (the "defined benefit trust"), the trustee of which trust is the Retirement Commission. The Retirement System

provided for in this Ordinance (the "Retirement System") is the defined benefit pension plan Retirement System. In Resolution 96-253, adopted by the County Board of Commissioners on June 25, 1996 on behalf of the County, the County adopted and established, as an additional component of its overall pension and retirement plan under Section 12A of Act No. 156 of the Public Acts of 1851, as amended, MCL 46.12A, a defined contribution pension plan and a trust therefor (the "defined contribution trust"). The Retirement Commission is not the trustee of the defined contribution trust.

- (b) The adoption agreement for the County's defined contribution pension plan and trust, and Resolution 96-253, both as amended by the County Board of Commissioners on September 4, 1996 in Resolution 96-353, require, and the County will continue to require, that the trustees of the defined contribution trust comply with all applicable requirements of Act. No. 314 of the Public Acts of 1965, as amended, MCL 38.1132 et seq.
- (c) If the secretary of the Retirement Commission (the "secretary") receives written notice from the County Personnel-Labor Relations Department that a Member has elected to participate in the County defined contribution pension plan, and if that notice is accompanied by an original written election to so participate, signed by the Member, the secretary, as administrative officer of the Retirement System, shall, subject to the remaining provisions of this subsection, transfer directly, from the assets of the defined benefit trust to the trustee(s) of the defined contribution trust, an amount equal to the actuarial present value of the Member's benefit which has accrued under the defined benefit pension plan. The amount to be transferred shall be determined by an independent actuary (the "independent actuary"), whose actuarial calculations shall be performed in accordance with generally accepted actuarial principles. The independent actuary will be selected and retained by Genesee County, with such collective bargaining organization involvement in that process as may be required by any collective bargaining agreement. The actuarial methods and assumptions used in determining the transfer amount, subject to subsections (d) and (f), will substantially conform to those which have been used in determining such transfer amounts as of August 31, 1996, being the methods and assumptions summarized in a two page writing titled "Genesee County Employees Retirement System - Calculation of Transfer Values," which writing is Appendix A of this Ordinance. Prior to making any transfer required by this subsection the secretary shall submit to the actuary who has been appointed by the Retirement Commission pursuant to subsection 12(e)(the "Commission actuary") the amount of the contemplated transfer and the data relevant to the actuarial calculation of the amount to be transferred. The Commission actuary, within seven business days of receipt of the amount of the contemplated transfer and the relevant data, shall review the submitted information and advise the secretary whether, based on that information, the amount to be transferred, as determined by the independent actuary, has been calculated in accordance with the actuarial principles, methods and assumptions required by this subsection. The secretary shall not transfer, from the assets of the defined benefit trust to the trustee(s) of the defined contribution trust, an amount, as being equal to the actuarial present value of a specific Member's accrued benefit under the defined benefit pension plan, until the Commission actuary has advised the secretary that such amount, based on the information submitted, has been calculated in accordance with the actuarial principles, methods and assumptions required by this subsection. In the event cash that is within the Retirement System's assets but not within the portfolio of any Retirement System investment manager (such Retirement System, non-portfolio cash being "unallocated cash") is insufficient to fund a transfer required by this subsection, the Retirement Commission shall forthwith liquidate or direct, or shall have directed, liquidation of Retirement System assets, and obtain conversion thereto of unallocated cash, in an amount sufficient to fund the transfer. Cash being temporarily retained by the Retirement System during the process of acquiring the cash required to fund a transfer required by this subsection, and being retained in order to fund that transfer, may be so retained, and neither subsection 42(b) of this Ordinance nor any asset allocation guideline shall be applicable to such cash. Upon a transfer to the trustee(s) of the defined contribution trust of the amount equal to a Member's actuarial present value of the benefit accrued under the defined benefit pension plan, the Member will cease to be a Member of the Retirement System and will have no claim to benefits under the defined benefit pension plan. The Retirement Commission has no obligation or authority to invest, reinvest, hold, sell or assign, or make any further transfer or disposition of, assets which have been transferred under this subsection to the trustee(s) of the

defined contribution trust, and has no responsibility for how such assets are invested, reinvested, held, sold, assigned, transferred or otherwise disposed of by such trustee(s).

- (d) Any other provision of this Ordinance notwithstanding, if a Member has elected to participate in the defined contribution pension plan, no Credited Service, whether Generic Time under section 54 or other Credited Service, will be included within Credited Service for the purpose of determining the actuarial present value of a Member's benefit which has accrued under the defined benefit pension plan, in order to transfer that benefit value to the trustee(s) of the defined contribution trust, unless payment for such purpose has been completed at least thirty (30) days prior to the date upon which participation in the defined contribution pension plan would commence as a result of such election.
- (e) Whether a particular Member may elect to participate in the defined contribution pension plan, other than as provided for in Section 59 of this Ordinance, is neither stated in nor to be governed by this Ordinance.
- (f) Subsection 54(f) notwithstanding, Members who have purchased Generic Time, who, within ninety (90) days after attaining eligibility for Retirement, have elected to participate in the defined contribution pension plan, and who do not retire within such ninety (90) days, do not forfeit their purchased Generic Time.
- (g) This section governs over any other section of this Ordinance to the extent of any inconsistency between such sections.

Water & Waste Services Early Retirement Program:

Section 58.

- (a) For purposes of this Section 58, the following words and phrases all have the following respectively indicated meanings:
  - (1) The "Union" means American Federal of State, County, and Municipal Employees (AFSCME) Local 1918, Chapter 0.
  - (2) "Union Employees" means all members of the Union; provided, however, that "Union Employees" does not include Employees hired after the Program Approval Date as hereinafter defined as to Union Employees.
  - (3) "Other Covered Employees" means all Employees who do not hold a position within the Union and who are within the Water and Waste Services group of Employees referenced in Subsection 16(c) of this Ordinance; provided, however, that holders of elective office, and Employees hired after the Program Approval Date as hereinafter defined as to Other Covered Employees, are not "Other Covered Employees."
  - (4) "Covered Employees" means Union Employees and Other Covered Employees.
  - (5) The "Retirement Incentive Program," or the "Program," means the benefits optionally provided in this Section.
  - (6) The "County Pension Plan Committee" means the committee referenced in Subsection 12a(12) of Act No. 151 of the Public Acts of 1851, as amended, Michigan Compiled Laws Subsection 46.12A(12).
  - (7) The "Union Agreement" is the respective general 1994-1998 collective bargaining agreement between the Genesee County Drain Commissioner, as the Employer, and the Union.
  - (8) "Program Approval Date," or the "approval date," means the date on which the substance

of the optional benefits of the Program have been approved. That date, respectively as to the members of the union and as to Other Covered Employees, is the date on which the County Pension Plan Committee approved this amendment to this Ordinance.

- (9) The "Offering Period Ending Date" as to Union Employees and Other Covered Employees, is 120 consecutive calendar days from the date of approval of the County Pension Plan Committee.
  - (10) The "Offering Period" is that period commencing with the Program Approval Date and concluding with Offering Period Ending Date.
  - (11) "Hourly Wage Rate" means base hourly rate plus longevity rate, if any.
  - (12) The "System" means the Genesee County Employees' Retirement System.
- (b) Subject to all definitions, conditions, qualification, limitations, exceptions, and other terms and provisions of this Section, Covered Employees shall have the option to elect the Retirement Incentive Program; provided, however, that, any other provision of this Section notwithstanding, and except as otherwise provided in Subsection (c) below, the Program and any benefit thereof shall not be available to Employees who are not employed during some part of the Offering Period; and provided further that the Program shall not be available to Other Covered Employees unless the amendment to this Ordinance, by which amendment this Section is added thereto, is approved by the County Pension Plan Committee.
- (c) The Program shall be available only during the Offering Period; provided, however, the Early Retirement Incentive Program provisions will be implemented upon approval of the Genesee County Board of Commissioners and the County Pension Plan Committee. Eligible Union Employees electing to retire in accordance with the provisions of this Early Retirement Incentive Program shall be required to notify the Employer in writing of said election to retire from employment a minimum of thirty (30) calendar days prior to their designated date of Retirement. Said designated retirement date must fall within the confines of the aforementioned Offering Period.

The Employer shall retain the option of retaining any individual Employee for a period of time not to exceed twelve (12) months immediately following the Employees' designated Retirement date. Employees being retained under this option for a specified period of time shall be notified in writing by the Employer and shall receive any additional Credited Service they are otherwise eligible to receive as a result of this extended period of employment.

The Early Retirement Incentive Program shall be available to any Union Employee or Other Covered Employee who is on layoff, sick leave, workers' compensation leave, whose employment relationship has not terminated, as of the Approval Date, and who is otherwise eligible.

- (d) General provisions:
- (1) Early Retirement Credited Service Eligibility Provisions - Any age and twenty (20) or more years of Credited Service. All purchases of other governmental service and military service time must be completed ninety (90) consecutive calendar days from the date of approval of the amendment to this Ordinance which added this section by the County Pension Plan Committee.
  - (2) Regular Retirement Annual Benefit Amount Increase (Straight Life Allowance) - An Additional:
    - Five percent (5%) of the Member's Final Average Compensation (FAC), for example:
      - 20 Years of Credited Service - 53% of FAC
      - 23 Years of Credited Service - 60.2% of FAC

- 25 Years of Credited Service - 65% of FAC
- 27.5 Years of Credited Service - 67.5% of FAC
- 30 Years of Credited Service - 70% of FAC

NOTE: If Options A, B, or C rather than a Straight Life Allowance are selected by the Employee, a reduction in the annual benefit amount will occur.

- (3) Post Retirement Adjustment - Three percent (3%) of the original annual benefit amount for each of the first five (5) years following retirement beginning with January 1, 1998.
- (4) All Covered Employees of the Water and Waste Services Division hired on March 1, 1997 and thereafter will be Members of the Retirement System and those Employees' contributions to the Retirement System shall be five percent (5%) of the Employee's annual Compensation. Employees of the Division hired prior to March 1, 1997 will be Members of the Retirement System and those Employees' contributions to the Retirement System shall be one-half of one percent (0.05%) of the Employee's annual Compensation.
- (5) Employees hired on January 1, 1997 and thereafter will not be eligible for any longevity Compensation.
- (e) The provisions of the above Subsections of this Section notwithstanding, whenever, pursuant to any such provision, the last day for any action permitted by this Section would not coincide with a scheduled, regular County business day, such action may be taken, with the same effect as if taken on such otherwise last permitted action day, on the scheduled, regular County business day next succeeding such otherwise last permitted action day.
- (f) The provisions of this Section 58 shall govern over other provisions of this Ordinance to the extent of any inconsistency therewith. Such other provisions shall, however, remain fully effective in applicabilities not inconsistent with this Section.

Lump Sum Payment Option:

Section 59.

- (a) Upon Retirement of a Member who is an Employee in either the Genesee County or the Community Mental Health Employee group, or, effective July 1, 2002, the Water and Waste Services (Sanitary Sewers) non-union Employee group, and who is neither a member of the County Board of Commissioners nor a member of a unit of employees represented by a collective bargaining agent, the Member, with the written consent of the Member's spouse, if any, may elect to obtain transfer of the actuarial present value of the Member's accrued benefit under the Retirement System to an account for the Member within the Genesee County Defined Contribution Pension Plan. The actuarial present value of the Member's accrued benefit, for purposes of this section, shall be the total of the amounts which, absent the election here provided for, would be transferred, upon Retirement of the Member, from the Employees' Savings Fund and from the Pension Reserve Fund, to the Retirement Reserve Fund. In order to exercise the election provided for in this section, the Member must submit to the Retirement Commission a written election no earlier than 90 days before the Member's Retirement and no later than the Member's date of Retirement. The transfer shall be considered to have taken effect as of 12:01 a.m. of the day immediately following the Member's date of Retirement. Upon the Member's Retirement, the Member's election shall be irrevocable and the Member shall have no further claim to benefits under the Retirement System. Other provisions of this Ordinance notwithstanding, a Member exercising this election shall not receive even an initial Retirement Allowance under this Ordinance, the transfers to the Retirement Reserve Fund that would have been made, absent the election, shall not be made, and, instead, upon the Retirement of the Member, the Retirement Commission shall transfer the actuarial present value of the Member's accrued benefit to the trustees of the Defined Contribution Plan trust, for the account of the Member.

- (b) The lump sum payment provided in this section is available only to Members otherwise eligible for voluntary Retirements as provided for in section 22. A Member exercising an election under this section is required to comply with both the Retirement application requirements of subsection 22(a) and the election requirements of this section. A sex-neutral mortality table, adopted by the Commission pursuant to section 14, will be utilized to provide life expectancies for purposes of calculating actuarial present values of Members' accrued benefits under subsection 59(a), and the Commission is not required to utilize that table in calculating actual transfers to the Retirement Reserve Fund. A Member who dies after making and not having revoked the election provided for in subsection 59(a), but prior to the Member's date of Retirement, shall be deemed for purposes of this section only to have (1) retired the day preceding the date of death, notwithstanding that the Member may not have attained the age of 60 years, and (2) elected the above referenced lump sum payment option. A Member electing the lump sum payment option, however, may also provide, in the election, that the election is to be automatically revoked if the Member dies prior to the Member's date of Retirement. If a Member who has provided for such automatic revocation dies prior to the Member's date of Retirement, the Member shall be deemed to have revoked the Member's election of the lump sum transfer and to have died while in the employ of the Employer within the meaning of sections 35 and 36. No benefits shall be payable under either section 35 or section 36 on account of the death of a Member who has elected and not revoked the lump sum payment option provided for in this section. If this subsection is deemed to any extent to be inconsistent with subsection (a), this subsection governs as to the inconsistency.
- (c) Notwithstanding the provision in subsection 59(a), stating that a member of a unit of Employees represented by a collective bargaining agent is not eligible to make the election there provided for, a Member who is an Employee in either the Genesee County or the Community Mental Health Employee group, or effective June 13, 2002, the Water and Waste Services (Sanitary Sewers) Employee group, or effective July 9, 2002, the Road Commission Employee group, and who is a member of a unit of Employees represented by a collective bargaining agent, may make the election otherwise provided for in subsections 59(a) and 59(b) if a collective bargaining agreement has been entered into which provides that such Member may make such election. Effective July 1, 2011, the Section 59 Lump Sum Payment Option is eliminated for a non-union Employee of Water and Waste Services (Sanitary Sewers). Effective September 29, 2012, the Section 59 Lump Sum Payment Option is eliminated for a non-union Employee of General County.

Community Mental Health Early Retirement Incentive Program:

Section 60.

The Early Retirement Incentive Program described in subsections (a) through (e) is made available to each Member who is an Employee in the Community Mental Health Employee group, is not a member of a unit of Employees represented by a collective bargaining agent and is eligible in accordance with subsection (d). A Community Mental Health Employee group Member who is a member of a unit of Employees represented by a collective bargaining agent shall have such rights, if any, to participate in an Early Retirement Incentive Program, including but not necessarily limited to any provided right to purchase Credited Service ("generic time"), as are provided in the collective bargaining agreement for that Member's unit of Employees. The Genesee County Employees Retirement System ("GCERS"), however, will not pay any cash incentive payment to the Member.

(a) General Terms

1. Implementation Period  
August 1, 2000 through December 31, 2000

2. Implementation Provisions

The Early Retirement Incentive Program provisions will be implemented upon approval of the Genesee County Community Mental Health Services Board, the Genesee County Board of Commissioners, and the State of Michigan's County Pension Plan Committee. Participation in the Early Retirement Incentive Program is voluntary. Eligible Employees



electing to retire in accordance with the provisions of this Early Retirement Incentive Program shall be required to notify the Executive Director's Office in writing of said election to retire from employment with Genesee County Community Mental Health Services (hereinafter referred to as the Agency). Said written notification must be submitted to the Executive Director's Office no later than July 31, 2000, must designate a Retirement date and must be submitted a minimum of thirty (30) days prior to that designated date. The written notification of Retirement is irrevocable, once submitted to the Executive Director's Office. Said designated Retirement date must fall within the confines of the aforementioned Implementation period of August 1, 2000 through December 31, 2000. The Executive Director retains the sole discretion to determine and adjust all dates of Retirement for Employees under the provision of the Early Retirement Incentive Program, within the period of August 1, 2000 through April 1, 2001.

In order to comply with the applicable provisions of the Genesee County Employees' Retirement System Ordinance, written application for Retirement must also be filed with GCERS not less than thirty (30) days prior to the Retirement date designated by the Employee.

3. Limited Agency Retention Option

The Agency shall have the option of retaining any Employee, who has elected to retire under the provisions of the Early Retirement Incentive Program, for a designated period of time, but in no event later than April 1, 2001, in order to meet the operational needs of the Agency, as solely determined by the Executive Director.

Employees being retained under this option for a specified period of time shall be notified in writing by the Agency and shall receive any additional Credited Service they are otherwise eligible to receive as a result of this extended period of employment.

(b) Cash Incentive

All Employees who have attained the required minimum of twenty-three (23) years of Credited Service as of December 1, 2000 shall be eligible to receive a Retirement Cash Incentive from the Agency as outlined below. Only Credited Service time attained as of December 1, 2000, excluding any and all "generic" time that may have been purchased by an Employee, shall be utilized to qualify for the aforementioned Retirement Cash Incentive. Employees qualifying for a Retirement Cash Incentive will be issued payment no later than five (5) working days after the Employees' designated Retirement date unless the Employee exercises their written option of being issued payment on January 3, 2001. This cash incentive will not be included in any computation of Final Average Compensation (FAC) under any provisions of the Retirement System.

| Minimum Credited Service<br>as of December 1, 2000 | Cash Incentive   |
|--|--|
| 23 years   | One (1) week's pay at base rate (hourly wage rate times forty (40) hours excluding longevity and all other premiums) as of the last day of employment, for each year of Credited Service up to a maximum payment of \$45,000 |

(c) Purchase of Credited Service ("Generic Time")

Employees with a minimum of seventeen (17) years Credited Service as of July 31, 2000, shall be afforded the opportunity to purchase not more than six (6) years of Credited Service ("generic time") under the GCERS Ordinance, for the purpose of attaining the minimum standard of twenty-three (23) years of Credited Service only, at a rate of five percent (5%) of the Employee's full-time annual Compensation (hourly wage rate, including longevity, times 2080 hours) for the year in which payment begins, multiplied by the number of years of Service credit being purchased; each

day of "generic" time may be purchased at the rate of .0137% of the Employee's full-time annual Compensation as defined above.

Employees shall be allowed to exchange accumulated vacation time or banked holiday time on an after tax withholding basis, to buy "generic time" for Credited Service purposes. The value of vacation time or banked holiday time used to buy "generic time" shall not be included in any computation of Final Average Computation (FAC) under any provisions of the Retirement System.

Amounts paid for the purchase of "generic time," including but not limited to the after tax withholding amount to be paid by the Agency for exchanged vacation or holiday time, shall be deposited with the GCERS, as Employee contributions.

No purchased "generic" time will be applied as Credited Service unless and until the full amount arranged to be purchased has been paid in full in accordance with the above provisions.

(d) Eligibility Requirements

The Early Retirement Incentive Program is not available to former Employees who have previously retired or elected deferred Retirement or any other individual who is not actively employed as of July 31, 2000.

However, any Employee who is on layoff, sick leave, or worker's compensation as of July 31, 2000 and whose employment relationship has not been otherwise terminated is eligible.

(e) Irrevocable Retirement Date

Employees electing either the Cash Incentive option or the Purchase of Credited Service "Generic Time" option must retire during the aforementioned Implementation Period of August 1, 2000 through December 31, 2000, unless retained under the terms of the Limited Retention Option contained in (a)(3) above.

The provisions of this section shall govern over other provisions of this Ordinance to the extent of any inconsistency therewith. Such other provisions shall, however, remain fully effective in applicabilities not inconsistent with this section.

Genesee District Library Employment Agreement:

Section 61.

The Genesee District Library (the "Library") and Ingrid Halling ("Halling") entered into a written employment agreement (the "Agreement") for the period October 14, 1991 through December 31, 1996. Under its terms, *inter alia*, the Library agreed to recognize under this Ordinance, for purposes of benefit eligibility and calculation of a Retirement Allowance hereunder, five (5) years of Credited Service in recognition of her prior experience. The Credited Service shall be purchased pursuant to a cost-sharing arrangement. Such purchased Credited Service shall be aggregated with Halling's actual Credited Service on record with the Retirement System to calculate the amount of Halling's Retirement Allowance.

In order to purchase such Credited Service, Halling shall pay in full to the Retirement System her mandatory Accumulated Contributions in an amount as determined by the actuary for each year of purchased Credited Service. The Library likewise shall pay in full to the Retirement System an amount as determined by the actuary equal to its Employer funding contribution required for this benefit.

Ms. Halling's benefit as described in this Section is conditioned upon Ms. Halling and the Library making the respective payment described herein to the Retirement System. Except as modified by this Section, Halling's benefit is subject to the usual terms of the Ordinance.

City of Mt. Morris Employment Agreement:

Section 62.

The City of Mt. Morris (the "City") and Reid S. Charles ("Charles") entered into a written employment agreement (the "Agreement") for a term of three years, effective April 9, 2001. Under its terms, Charles shall be a Member of the Retirement System in accordance with the terms of the Ordinance. If Charles serves as City Manager for the term of the Agreement, the City shall contribute to the Retirement System an amount of money determined by the actuary as sufficient to provide Charles additional Credited Service in the Retirement System equal to the number of months that Charles served as acting City Manager under the Agreement. Such purchased Credited Service shall be aggregated with Charles' actual Credited Service earned during the period of his employment to calculate the amount of Charles' Retirement Allowance under the Retirement System.

Charles' Retirement Allowance as described in this Section is conditioned upon the City making payment described herein to the Retirement System. Except as modified by this Section, Charles' benefit is subject to the usual terms of the Ordinance.

Qualified Excess Benefit Arrangement:

Section 63.

- (a) This section is enacted pursuant to section 415(m) of the Internal Revenue Code and 2002 P.A. 100, the Michigan Public employee Retirement Benefit Protection Act.
- (b) A Qualified Excess Benefit Arrangement (QEBA) is established and shall be governed by a separate trust as established by the County Board of Commissioners.
- (c) The amount of any Retirement Allowance that would exceed the limitations imposed by section 415 (b) of the Internal Revenue Code shall be paid from the QEBA in accordance with the necessary and appropriate procedures, established by the Retirement Commission for the administration of the QEBA.
- (d) The QEBA shall be a separate portion of the Retirement System. The QEBA is subject to the following requirements:
  - (1) The QEBA shall be maintained solely for the purpose of providing to Retirants and Beneficiaries that part of the Retirant's or Beneficiary's Retirement Allowance otherwise payable under the terms of the Retirement System, but which exceed the limitations imposed by section 415(b) of the Internal Revenue Code; and
  - (2) Retirants and Beneficiaries do not have an election, directly or indirectly, to defer Compensation to the QEBA.

City of Mt. Morris Additional Credited Service:

Section 64.

The City of Mt. Morris Employer may establish an early retirement incentive which grants additional Credited Service to two designated non-union Employees of the City of Mt. Morris in accordance with a supplemental actuarial report dated May 4, 2010 subject to the condition that said Employees elect to retire under the provisions of Section 22(b)(1) on or before July 9, 2010.

## APPENDIX A

### GENESEE COUNTY EMPLOYEES' RETIREMENT SYSTEM Calculation of Transfer Values

**METHODOLOGY:** Although several Michigan communities have switched to defined contribution arrangements and offered existing Members the option to transfer the present value of their accrued benefits to the new plan, there has not been uniform consistency in the actuarial methods used to calculate these present values. We have generally used the Oakland County method as a standard because it has qualities of fairness and offers Employees incentive to transfer. The unique characteristics of this method are discussed below.

- (1) Benefit commencement age is the earliest age the Member would be eligible to retire based on projected Service (not when he is expected to retire based on actuarial assumptions or could receive benefits if he terminated employment). The basis for this approach is to prevent any possible diminishment in value from what he could receive based on continued employment but suspension of future benefit accrual.
- (2) Mortality is assumed only after Retirement (probability of pre-retirement death is disregarded). Values are discounted from Retirement to current age using only interest. Use of a pre-retirement mortality assumption would imply that if a Member were to die before benefit commencement his accrued benefit would be forfeited.
- (3) Accrued benefits are based on current pay or current FAC.

The first two characteristics result in higher transfer values than the present value of accrued benefits on the valuation basis. In the case of Genesee County, benefits were calculated based on projected pay at Retirement using a 2.5% salary increase assumption instead of current pay. This partially protects Members from the loss of pre-retirement inflation protection in the DC plan.

**COMMENT A - Data:** Basic Employee census information was received on diskette from the County. Adjustments were made to 7 Employees with missing or questionable data. Data was checked for general reasonableness but not otherwise audited by EFI.

**COMMENT B - Mortality and Discount Rates:** The 1984 Group Annuity Mortality Table (valuation assumption) with a 100% female mix was used.

We used the valuation interest rate (8%) in discounting present values.

#### Financial Results - Description of Headings

**Accrued Annual Benefit:** Benefit based on Service to 8/31/96 based on projected pay at retirement. Pay was projected to increase by 2.5% per year compounded annually.

**Present Value @ Retirement:** The present value of the accrued benefit at earliest Retirement date, including a 3% simple COLA payable for 5 years, using 8% interest and the 1984 Group Annuity Mortality Table with a 100% female mix.

**Discounted Present Value:** The present value at Retirement discounted with interest only to 8/31/96. This is the transfer amount.