A RETIREMENT PLAN
FOR GENERAL EMPLOYEES
OF THE CITY OF
MARIETTA, GEORGIA

TO: THE EMPLOYEES OF JMERS MEMBER MUNICIPALITIES

Retirement appears to be far in the future to local government employees in their twenties, thirties, and even forties. Those in their fifties, and later, realize how quickly time passes and the retirement years arrive. Retirement requires advance planning, beginning in the early years, so that life after retirement will be pleasant and secure.

It is a real pleasure to announce that your city has adopted a new retirement plan. The plan provides for the payment of monthly benefits to you for life after you retire. The administration of the plan and the investment of funds is done through the Joint Municipal Employees' Retirement System, or JMERS.

The plan is designed to help you and your city provide now for your financial security in later years. The amount of money you receive under the city's retirement plan is intended to supplement the old-age benefits you are entitled to under the Social Security Act.

It is very important for you to read and understand the contents of this booklet. You should become familiar with all the benefits afforded in the plan. An understanding of how these benefits enrich your retirement will give you greater personal security.

Give your family an opportunity to read about the plan, too.

Sincerely,

BOARD OF TRUSTEES
JOINT MUNICIPAL EMPLOYEES'
RETIREMENT SYSTEM

IMPORTANT

The material contained in this booklet briefly explains and illustrates the new plan as it pertains to general employees. A different booklet describes plan benefits for policemen and firemen. The full terms and conditions of the plan are set forth in the plan text available for your inspection in the office of your pension committee secretary. The full text will control in deciding any questions which may arise under the plan.

Further, the plan may be amended from time to time by the governing authority of your city. Future changes will be incorporated in revisions of this booklet. Make sure you are reading the latest version.

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WHAT THE PURPOSE OF THE PLAN IS...

The purpose of your city's retirement plan is to reward long and faithful service by helping provide an adequate income for you in your later years. The plan is designed to make it easier for you and your family to enjoy greater security and independence in retirement.

Description of the plan...

The plan is basically simple. It gives recognition to past as well as future service. The city intends to pay the entire cost of the plan. The amount you will receive in retirement depends on the number of years you serve the city. You get a certain percentage of your salary for each year of service.

The trustee's function...

The trustee of your plan is the Board of Trustees of the Joint Municipal Employees' Retirement System. The Board is responsible for accumulating, investing, and accounting for the money paid into the fund and for making payments under the plan in accordance with instructions or approval from your local pension committee.

Your plan is soundly funded...

All of the contributions paid into the trust fund are for the exclusive benefit of the participants in your plan. The soundness of the fund is checked annually by an independent actuary.

Your pension committee...

The details of the plan may seem somewhat complicated to those not familiar with programs of this kind. The pension committee will be very glad to clear up any questions that may occur to you after you have read the remaining pages of this booklet. The pension committee, comprised of personnel of your municipality, is charged with local administration of the plan. The committee has the necessary authority to enable it to administer the plan. The committee will handle all questions between the city and its employees in all matters regarding the plan.

WHO CAN JOIN THE PLAN AND WHEN...

All regular, full-time general employees who were working for your city on November 1, 1973, the effective date of the plan, are eligible to participate when they have completed one year of service. A regular, full-time general employee hired after the effective date of the plan is eligible when he has completed one year of continuous service provided he was hired on or before his 55th birthday. The rights and obligations of general employees who retired prior to November 1, 1973 are fixed by the pension plan that was in effect at the time of retirement.

When participation starts...

You may join the plan on the first day of the month on or after you have become eligible. Remember, you must also be under age 56 if you were hired after the effective date of the plan.

How to apply for participation...

You may get an "Application for Participation" from your department head or pension committee secretary. You do not need to take a physical examination.

HOW THE PLAN BENEFITS YOU...

When you retire, the plan pays you a monthly income for as long as you live. You may elect to receive the maximum allowance payable to you for life, or you may choose one of three options.

Joint and Survivor Option...

You may elect to receive a smaller retirement benefit for yourself and insure that, if you die before your beneficiary, he or she will receive 25%, 50%, 75%, or 100% of your reduced benefits for the rest of his or her life.

Period Certain and Life Option...

Should you desire that in the event of your death within a 5, 10, 15, or 20-year period after retirement that your beneficiary receive the balance of payments for the period specified, you may elect this option. The amount of your normal pension would be reduced by the amount necessary to purchase this additional benefit.

Social Security Option...

You may choose this option if you retire prior to becoming eligible for social security. The Social Security Option permits you to receive a larger monthly pension payment from the time you retire until you begin receiving social security. After you start drawing social security, the amount you receive from the plan would be reduced. The object is to provide you a level income (including social security) during your lifetime after retirement.

WHAT THE BENEFITS ARE...

The plan provides a basic benefit determined by the number of years of your service and your earnings during the consecutive 5-year period in which your earnings were the highest.

In addition to social security...

As you know, both you and your employer make regular payments to the federal government for your social security benefits. Your retirement income under the plan is entirely over and above the social security benefits which will be payable to you and to your wife or husband. The monthly retirement income you receive under the plan will not be affected if social security benefits are increased or decreased. In other words, your total retirement income will be increased by any increase in social security benefits.

WHAT YOU PUT INTO THE PLAN...

You do not contribute one cent toward the cost of the plan. The city pays the entire amount. Since no contributions are withheld from your earnings, you are not entitled to any payment if you leave the city before you are entitled to any plan benefits.

WHAT HAPPENS IF YOU DIE BEFORE RETIREMENT...

If you die before retirement, the beneficiary you named will receive a pension for life. The amount will be determined by your sex, service, age, and salary as well as by the sex and age of your beneficiary.

You name your beneficiary...

At the time you apply for participation you may name a beneficiary who will receive a pension for life if you die before you retire. Any relative or friend may be named. Only one beneficiary may be named. However, your designation may be changed at any time.

When you retire, you may again name a beneficiary. He or she will be entitled to receive, upon your death, any benefits specified by your election of an optional form of retirement payment. The designation at actual retirement cannot be changed even if your beneficiary dies before you do. However, any designation will be null and void if your beneficiary dies before your retirement date.

WHAT HAPPENS IF YOU BECOME DISABLED BEFORE RETIREMENT...

If you become entitled to disability benefits under social security after you join the plan, you will receive a supplementary disability benefit from your retirement plan. The amount of your disability pension will depend on the retirement benefits you have earned up to the time you become disabled. In no event will this supplementary benefit be less than 20% of your average monthly salary during the year prior to your disability.

WHAT YOUR RETIREMENT INCOME WILL BE...

The amount of income you receive each month when you retire will depend upon three things: (1) your final average earnings; (2) your number of years of credited service; and (3) the option you elect, if any.

Final average earnings...

Your final average earnings are the average of your regular earnings during the consecutive 5-year period in which your earnings were the highest. Any money you receive for overtime, reimbursement of expenses, etc., is not included in computing your earnings.

Credited service...

Normally, the total time you have worked for the city will be credited toward retirement. However, it could be less if you failed to participate at your earliest opportunity or if you have had a break in service.

When you choose an optional form of payment...

As you know, when you elect to share your retirement income with another person, the amount of your retirement income will be somewhat smaller. That's because the income extends over the expected lives of two persons. The exact amount of income under the Joint and Survivor Option hinges on three things: (1) your sex and age at retirement; (2) the age and sex of your beneficiary; and (3) the percentage of your reduced benefit that you bequeath to your beneficiary. The amount of income under the Period Certain and Life Option depends on your age and the length of the guaranteed period you select.

WHEN YOUR RETIREMENT INCOME BEGINS...

You will normally retire on the first day of the month following your 65th birthday. Your first pension check will arrive on the first of the month following your retirement. Thereafter, JMERS will continue to send you a check every month for as long as you live. Under certain conditions you may retire earlier or later.

Early retirement...

Early retirement is possible, with a reduced pension, after you reach age 55 and complete 10 years of credited service. The amount of your monthly retirement income will be smaller: (1) partly because you will have fewer years in the plan; (2) partly because your final average earnings will be lower; and (3) partly because you will probably live more years in retirement when you retire at age 55 than if you had waited until age 65 to retire. The approximate percentage of your normal retirement income that you will receive if you retire after age 55 and prior to age 65 is shown below.

RETIREMENT AGE	PERCENTAGE OF YOUR NORMAL RETIREMENT INCOME
65	100%
64	91%
63	83%
62	76%
61	70%
60	65%
59	60%
58	55%
57	51%
56	47%
55	44%

Delayed retirement...

You may work on beyond age 65. You will need special permission to work after age 65 if you have completed 10 years of credited service. After the plan has been in effect for more than one year, retirement is mandatory for general employees who reach age 70. Your retirement income will be increased by the number of years that you work past age 65.

HOW AN EMPLOYEE'S RETIREMENT INCOME IS FIGURED...

If you are a general employee of the city, follow the procedure outlined below to compute the monthly retirement benefit that you might expect if you retire at age 65. It might be helpful first to study the examples following this outline. Also see the form on the last page.

(1) Add (or estimate) your monthly earnings for the consecutive 5-year period prior to retirement in which your earnings were the highest.

(2) Divide this sum by 60. The result is your final average earnings.

(3) Determine your amount of covered compensation. It is shown opposite your year of birth on the following table.

YEAR OF BIRTH	COVERED COMPENSATION	YEAR OF BIRTH	COVERED COMPENSATION
1903 or earlier	$412	1923	$560
1904	$430	1924	$563
1905	$446	1925	$566
1906	$460	1926	$568
1907	$471	1927	$570
1908	$482	1928	$572
1909	$491	1929	$575
1910	$500	1930	$582
1911	$507	1931	$590
1912	$514	1932	$598
1913	$520	1933	$605
1914	$526	1934	$611
1915	$531	1935	$618
1916	$536	1936	$625
1917	$540	1937	$631
1918	$544	1938	$638
1919	$548	1939	$644
1920	$551	1940	$647
1921	$555	1941 or later	$650
1922	$558		

(4) Compare your final average earnings with the amount of your covered compensation.

(5) Multiply that part of your final average earnings which is equal to or less than the amount of your covered compensation by 1% (.01).

(6) Multiply that part of your final average earnings which exceeds your amount of covered compensation by 1 3/4% (.0175).

(7) Add the amount you got when you multiplied your final average earnings by 1% to the amount you got when you multiplied by 1 3/4%. This is your unit benefit for each year of credited service.

(8) Multiply your unit benefit by the number of years of credited service that you have or will have at retirement. This is your normal retirement income. Remember, this will change if you retire at some age other than 65 or if you choose an optional form of payment.

EXAMPLES...

Perhaps the best way to show how the plan builds your retirement income is by examples. Below you'll find the case of employee "Ben E. Fitz", which shows how the plan works in a fairly typical case.

THE CASE OF EMPLOYEE BEN E. FITZ...

Example 1

Normal Retirement Benefits

Let's say that Ben E. Fitz was born in 1910. He started to work for the city at age 30 and joined the plan at age 31 after one year of service. His starting salary was $855 a month. Then let's say that Ben's earnings increase as follows: at 35 he is raised to $885 a month; at 45 to $935; at 60 to $985; and at age 62 to $1010 a month. In real life Ben might well get more pay raises, but the idea here is to keep the example fairly simple.

In 1975, when Ben is 65, he retires and gets a retirement income check for $481.25 every month for the rest of his life.

The chances are that Ben will continue to live to age 78, 79, or longer. In that event he will receive over $75,000 in retirement income benefits. This is made possible by the city's contributions and accumulated interest.

In addition to receiving $481.25 a month from the plan, Ben will also get an estimated $395 a month in social security benefits for a total retirement income of $876.25. This is about 87% of his salary at the time of his retirement. Ben's wife, who has never worked, will be entitled to an additional $197.50 a month in social security benefits.

Ben's monthly retirement income was computed using the procedure explained in this booklet:

(1) We added Ben's monthly earnings for his last 5 years of employment, which was the 5-year period in which his earnings were the highest, and got $60,000 ($985 a month for 24 months plus $1010 a month for 36 months).

(2) Then we divided the $60,000 by 60 and got $1010, his final average earnings.

(3) Next we determined the amount of Ben's covered compensation from the table on page 9. Since his year of birth is 1910, his amount of covered compensation is $500.

(4) We compared this with Ben's final average earnings ($1000) and found them to be greater than his covered compensation.

(5) First we multiplied the portion of his final average earnings equal to his amount of covered compensation ($500)

by 1% (.01) and got $5.

(6) Then we multiplied the portion of his final average earnings which exceeded his covered compensation ($500) by 1 3/4% (.0175) and got $8.75.

(7) Next, adding $5 and $8.75, we found that Ben's unit benefit for each year of credited service was $13.75.

(8) Finally, we multiplied his unit benefit ($13.75) by his years of credited service. Ben had to wait one year to enter the plan, but his entire service from age 30 to age 65 (or 35 years) is counted toward retirement. $13.75 times 35 years gave us $481.25, his normal retirement benefit.

<u>Example 2</u>

<u>Joint and Survivor Option at 100%</u>

Now that we have figured Ben E. Fitz's normal retirement income as $481.25 a month, Ben has decided that instead of receiving this amount over his lifetime alone he wants to name his wife, Hadda, as his beneficiary and to specify that after his death Hadda will receive 100% of his reduced pension for the remainder of her life. Let's say that Hadda is the same age as Ben. (The younger the beneficiary, the greater the cost of this option.) When Ben retires at age 65 and elects the Joint and Survivor Option at 100%, the plan will pay him a monthly income equal to about 76% of his normal retirement income, or approximately $366, every month for as long as he lives. If Ben dies before Hadda does, she will receive the same amount each month for the rest of her life. However, if Hadda dies before him, all payments will cease at Ben's death.

Example 3

Joint and Survivor Option at 50%

Let's again take the case of Ben E. Fitz, who has built up a normal retirement income of $481.25 a month. Ben can arrange to receive approximately 86 1/2% of this amount, or about $416,- for as long as he and Hadda are both living by specifying that after his death Hadda will receive 50% of his reduced pension. (Note that this is $50 more per month that in the previous example.) Then suppose that Ben dies before Hadda. Hadda will receive half of the amount Ben received, or $208 per month for the rest of her life.

Example 4

Period Certain and Life Option

Suppose we forget about Examples 2 and 3 and go back to Example 1 where Ben's normal retirement income was found to be $481.25 a month.

Let's say that Ben's wife is deceased and that he has only one dependent, a 12-year-old daughter. Ben decides to take a smaller monthly pension in order to insure that in the event of his death within 10 years after retirement that his daughter, Lotsa, will receive the balance of any payments during the 10-year period. Ben figures that after 10 years his daughter will be able to support herself.

In this example Ben's normal retirement income would be reduced by about 10%. That is, his reduced pension payment would be about $433. He would get this amount as long as he lived. If he died within 10 years after retirement, his daughter would receive the same amount each month until 120 monthly payments had been made. Then all payments would stop.

Example 5

Early Retirement Benefits

Suppose Ben retires at age 60 instead of 65. He will have taken part in the plan for only 30 years and will have built up a normal retirement income of $378.30 payable at age 65.

When Ben retires at age 60 he will get a monthly pension equal to about 65% of $378.30. This gives him a monthly income of about $246 starting at age 60 and continuing for the rest of his life. At age 62 Ben will also get an estimated $313 in social security benefits, giving him a total income of $559 a month after 65.

Social Security Option

Ben can receive about $512 from the plan starting when he retires at 60 and continuing to age 62 by taking the Social Security Option. After 62 he'll get $199 from the plan and $313 from social security. So, as planned, from the time he retires at age 60 Ben gets a uniform income of $512 every month.

Death Benefits

When Ben applied for participation in the plan he named

Hadda as his beneficiary. Accordingly, if Ben dies while employed by the city, Hadda will receive a monthly benefit starting at the end of the month in which Ben dies and continuing for the rest of her life. Her benefit is calculated as the equivalent of the actuarial reserve required to fund Ben's normal retirement benefit, based on his final average earnings, his age at death, his beneficiary's age, and his credited service. In the event of a participant's death while employed by the city, and in no other case, his credited service includes the actual service he performed plus half of the service (up to a maximum of 10 additional years) he would have performed from the time he died to age 65.

Let's say that Ben dies at age 45 while employed by the city. His actual service (15 years) plus half of the service he would have performed from the time he died to age 65 (half of 20 years, or 10 years) will be credited, giving him 25 years of total credited service. Based on this and on the other factors mentioned above, Hadda will receive a monthly pension of about $173 for the rest of her life.

Example 6

Disability Retirement Benefits

Suppose Ben becomes disabled while he is working for the city and after he becomes a participant in the plan (after one year of service). Then say that 6 months after he becomes disabled he is eligible for a disability insurance benefit under the Social Security Act. This qualifies him for a supplemental disability retirement benefit from the city. The amount of his disability retirement benefit under the city's plan depends on (1) Ben's length of service and (2) his average salary during the consecutive 5-year period when his earnings were highest (or during the 12 months before he stopped working if he is entitled to the minimum disability benefit only). The minimum disability benefit is 20% of a participant's average monthly salary.

To better illustrate the plan's disability benefit, we will assume two situations. In the first situation Ben becomes disabled at age 35 when he has 5 years of service. In this case his disability benefit from the city is $171, which is 20% of his average monthly salary during the last 12 months he worked. He will receive this amount as long as he is disabled.

In the second situation Ben is disabled at age 53 after 23 years of service. A benefit based on his service and average salary for the 5 years in which his earnings were highest will be greater than 20% of the salary he was making immediately prior to the time he was disabled. At age 53 his final average earnings would be $935. He will be entitled to a monthly benefit of $290. This is his accrued normal retirement benefit. He will receive this amount each month as long as he is disabled.

Ben's monthly payment will be less in either situation if he elects an optional form of payment.

Should Ben's disability cease, he will no longer be entitled to the disability retirement benefit. In the event that he returns to work and later qualifies for another form of retirement, the benefit for which he is then eligible will not be affected by the disability benefits he received earlier.

Example 7

Delayed Retirement Benefits

As we have seen in Example 1, Ben E. Fitz will be eligible for a normal retirement benefit of $481.25 if he retires at age 65.

Let's suppose that Ben continues working for the city past age 65 and receives the same salary ($1010 a month) until he is 68. When he retires he will receive $529.15 monthly. This increase of $47.90 is due to the extra 3 years of credited service which he would accumulate after age 65 and to a higher earnings average.

At the time he retires, Ben would also begin to receive about $395 from social security. He would not be eligible to start drawing social security at age 65 if he continued to work for the city.

WHAT YOUR BENEFITS ARE IF YOU LEAVE BEFORE RETIREMENT...

Even if you do not keep on working until retirement age, the plan has benefits for you.

Vested benefits if you leave local government...

If you have a minimum of 10 years credited service at the time you terminate your employment with the city for any reason other than death, disability, or retirement, you will have vested rights in the trust fund. Your vested benefits will be payable to you in monthly installments after you reach retirement age. The amount of these payments depends on your accrued benefits at the time of your separation.

Example 8

Vested Benefits

Let's suppose that Ben E. Fitz decided to quit working for the city when he reached age 40. He would have had 10 years of credited service. His final average earnings would have been $885. Ben would be eligible for a monthly retirement benefit of $112.13 starting at age 65 and continuing for the rest of his life.

If he chose to take an optional form of payment, his monthly checks would be smaller.

If he wanted to start receiving monthly payments at age 55 (early retirment), his normal benefit, $112.13, would be reduced. According to the table on page 8 he would get about 44% of $112.13, or $49.34 each month.

Vested rights when you transfer to another JMERS employer...

If you terminate your employment with the City of Marietta after you have been a participant in the plan for at least one year and transfer immediately to another JMERS member employer, you will retain 100% of the benefits that have accrued up to the time of your transfer provided you remain in the continuous employment of one or more JMERS employers until retirement.

GENERAL RULES AND PROVISIONS...

Reinstatement of terminated employees...

When you terminate your employment with the city and are rehired more than one year later, you will be treated as a new employee insofar as accumulating retirement credits is concerned unless you spent the interim period in the employment of another JMERS employer. You may resume participation in the plan of your municipality if you are reemployed within one year after your employment was terminated. The time you were absent will not be counted toward retirement. If you are granted a leave of absence by your employer, you may resume participation in the plan upon your return if you conform to the provisions of the leave as granted by your city authorities.

Employment after retirement...

Your retirement income will continue just the same if you take a part-time or full-time job with another employer after retirement from the city.

You cannot borrow from the fund or on money in the fund...

The express purpose of the plan is to assure that participating employees will receive the intended rate of income upon retirement. Hence, the plan includes provisions intended to prevent the sale, assignment, pledge, or attachment of benefits.

Your questions are welcome...

We have tried to explain the plan as clearly as possible in this booklet. If you want more information, don't hesitate to ask questions. Your department head or your supervisor will be glad to get the answers for you.

TERMINATION OF THE PLAN...

The city expects the plan to be continued indefinitely but, of necessity, reserves the right to terminate the plan and contributions at any time by action of the governing authority. Should this situation arise, JMERS, pursuant to its rules and regulations, shall allocate the assets, less expenses, to the following classes of participants. The benefits of the first class shall be satisfied before proceeding to the next lower class, and so forth. If at any time the remaining plan assets would be insufficient to provide the accrued benefits for the class in question, the remaining assets would be applied on a pro rata basis within that class and all lower classes would receive no benefit.

CLASS 1 - Retired participants and beneficiaries who are receiving payments on the termination date

CLASS 2 - Participants delaying retirement

CLASS 3 - Participants eligible for early retirement

CLASS 4 - Former employees who are still participants due to a vested benefit

CLASS 5 - All other participants on a pro rata basis