

Section Name: Employee Relations
Section Number: 400
Policy Number: 017
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Effective Date: January 18, 2010
Date of Revision:

Subject: Retirement Benefits

1. Purpose: The purpose of this policy is to designate the retirement benefits that will be made available for all regular full-time non-union employees, Appointed and Elected Officials of the City of Monroe.
2. Statement of Policy: The City shall provide all regular full-time non-union employees, Appointed and Elected Officials the retirement benefits as set forth in the Monroe City Employees' Retirement System Ordinance.

2.1 Retirement Plan.

(a) Employees Hired On or Before December 31, 1997

Subject to the terms and conditions provided herein, the City agrees to maintain the City of Monroe Employees' Defined Benefit Retirement Plan now in effect for all employees covered by this policy who were hired on or before December 31, 1997, and are present participants in the Plan.

Employees in the Defined Benefit Plan shall contribute two percent (2%) of their total earnings to the Plan.

An employee participating in this Plan will be eligible for retirement upon attaining age 55 or older with 15 or more years of credited service, age 60 or older with 10 or more years of credited service or age 65 or older with 5 or more years of credited service.

The monthly benefit formula for employees in this Plan who elect to retire shall be 2.2% percent of the employee's final average compensation multiplied by his/her years of credited service. Final average compensation shall be the highest three (3) years of the employee's compensation during the last 10 years of his/her employment.

An employee participating in this Plan will also receive, effective after one (1) year of retirement, a two percent (2%) fixed cost-of-living adjustment, non-compounded. Such COLA adjustment shall be calculated by using the employee's original retirement benefit on each anniversary date of his/her retirement.

An employee participating in this Plan will also have the opportunity to apply for "Early Retirement." Early retirement shall be available when an

employee reaches age 50 or older and is vested in the Plan. Upon opting for early retirement the employee will have the option of receiving a benefit equal to the actuarial equivalent of the accrued normal retirement benefit. The benefit is determined by calculating the accrued straight life benefit payable at age 60 and applying the early commencement factor reflected in the table provided below. The employee may elect to receive this amount as a straight life benefit or as any of the standard optional forms provided under the Plan.

<u>Age as of an Employee's Last Birthday</u>	<u>Factor</u>
60	1.00
59	0.90
58	0.82
57	0.74
56	0.68
55	0.62
54	0.56
53	0.51
52	0.47
51	0.43
50	0.40

Employees who are eligible to elect to retire early may also choose a "Special Option" which pays the formula benefit up to age 62 and a reduced amount the rest of their life. The Special Option does not provide any survivor benefits and cannot be elected in conjunction with any other option.

Once the member has made his/her election and receives a benefit, the election cannot be changed.

2.2 Employees Hired On or After January 1, 1998

Subject to the terms and conditions herein provided, all employees covered by this policy who were hired on or after January 1, 1998, shall be provided the Hybrid (DB/DC) retirement benefits as provided in the City of Monroe's Ordinance No. 97-007 and in effect as of the date of this Agreement. The employees in the Hybrid (DB/DC) Plan shall contribute two percent (2%) of payroll to the Plan.

In accordance with the provisions of said Ordinance, an individual will be eligible for normal retirement upon attaining age 60 or older with 10 or more years of credited service, or age 62 or older with 3 or more years of credited service. The monthly benefit formula applicable to said retirement is one and one-half percent (1.5%) of the employee's final average monthly

compensation multiplied by his years of credited service. Final average compensation shall be the highest three (3) years of the employee's compensation during the last 10 years of his/her employment.

An employee participating in this Plan will also receive, effective after one (1) year of retirement, a two percent (2%) cost-of-living adjustment, non-compounded. The redetermined benefit amount shall be the original monthly amount payable at retirement increased by 2% or the percentage increase in the CPI, whichever is lower. The term "CPI" means the consumer price index, United States Department of Labor/Bureau of Labor Statistics, Urban Wage Earners and Clerical Workers (CPI-W), All Cities, All Items, 1982- 84 = 100, as announced, calculated and implemented by the Social Security Administration each December for the following year. Such COLA adjustment shall be calculated by using the employee's original retirement benefit on each anniversary date of his/her retirement.

3. Definitions: None.
4. Application: This policy shall apply to all full-time non-union employees, Appointed and Elected Officials of the City of Monroe, unless modified by an employment agreement and/or the written terms of appointment.
5. Responsibility: The Human Resources Director shall be responsible for implementing and overseeing this policy.
6. Administrative Procedure: None
7. Legislative History of Authority for Creation or Revision:

Adopted pursuant to action of the Monroe City Council dated January 18, 2010.

Revised pursuant to action of the Monroe City Council dated _____.