



CITY OF EDMOND

EMPLOYEES' RETIREMENT PLAN SUMMARY

REVISED: July 2024

INTRODUCTION

The City of Edmond established a retirement plan for its employees, effective January 1, 1966. The purpose of this booklet is to identify and answer, in general terms, the most frequently asked questions about the Plan and to outline benefits you may become entitled to receive from the Plan.

The retirement plan was designed to provide defined benefits based on pay and length of service. The Plan offers not only lifetime benefits at normal or earlier retirement, but also benefits in case of total disability or death as well.

If you have questions that are not answered fully in this booklet, or if you are concerned about the application of specific provisions of the Plan to your personal situation, you may contact any member of the Administrative Committee for further information and assistance. Members of the Administrative Committee are:

Scot Rigby, City Manager
Madeline Sawyer, City Attorney
Kathryn Panas, Director of Finance
Caroline Pierce, Director of Human Resources
Ross VanderHamm, City Treasurer
Charles Burgett - Retiree
Brad Jolliff, Golf Course Superintendent
Rusty Hale CPA, Citizen
Kenny Stevenson, Animal Services Supervisor
Anthony Morrison, Operations Safety Specialist
Coby Tennant, Park Maintenance Worker III
Ben Curry, Director of Emergency Management
Kory Atcuson-Coley, City Clerk

This booklet summarizes key features of the City of Edmond Employees' Retirement Plan. Its purpose is not to replace the Municipal Ordinance which governs in case of any difference. The City of Edmond Employees' Retirement Plan is contained in the Edmond Municipal Code at Chapter 2.54. The Plan was created by the Edmond City Council and may be amended periodically. You may obtain a copy of Chapter 2.54 in Human Resources, Treasury Services, electronically on the Employee Intranet of the 'Retirement Plans' page, and on the internet at www.Municode.com.

GLOSSARY OF TERMS

PLAN - City of Edmond, Oklahoma, Employees' Retirement Plan.

EMPLOYEES COVERED BY THE PLAN - All regular full-time employees paid by the City, excluding employees in the Police and Fire Departments who are participating under applicable state pension & retirement systems, and also excluding the City Manager and City Treasurer.

EARNINGS - The total compensation paid or accrued on behalf of the Participant during the fiscal year, including basic salary or wages, overtime payments, and all direct current compensation. It does not include accumulated sick leave, contributions to social security, or the value of any other fringe benefit provided at the expense of the City.

FINAL AVERAGE EARNINGS - The average monthly earnings of the Participant for the highest 30 consecutive months of the last five years of credited service.

ACTUARY - An independent qualified actuary, selected by the City, who is a member of the Society of Actuaries and an Enrolled Actuary under ERISA, or a firm of independent actuaries selected by the City, at least one of whose actuaries is a member of the Society of Actuaries and an Enrolled Actuary under ERISA.

COMPENSATION - May include the following wage types: Basic salary, overtime, skill-based pay, comp-bank payout, bonus pay, commuter mileage, certification pay, car allowance, longevity, holiday pay, standby pay, golf lessons, and commissions & tips.

JOINING THE PLAN

1. When do I become a participant?

All regular full-time employees of the City are required as a condition of employment to participate in the Plan as of their date of hire.

2. How do I become a participant?

You will be furnished with a form to complete and return to the Human Resources Department which will authorize payroll deductions for your employee contributions to the Plan.

3. What are the required employee contributions to the Plan?

Each Employee is required to contribute six percent (6%) of their monthly gross earnings as defined above.

CONTRIBUTIONS TO THE PLAN

4. **What does the City contribute to the Plan?**

The City Council determines when and how much the City will contribute as may be necessary to meet funding standards. Beginning July 1, 2024, the City will contribute 11.94% percent of the employee's gross earnings. On February 13, 2014 the Administrative Committee set a policy that at any time the actuarial valuation report recommends the employer contribution rate be 9.5% or greater, that the Committee perform a study to consider either an increase of the employee contribution or alter benefits, and that decision would be implemented no sooner than the beginning of the next fiscal year.

5. **Can I withdraw my contributions at any time?**

According to the Plan, employee contributions may be withdrawn only upon termination of employment. This ensures Plan stability, and aids to provide consistent funding levels.

6. **How do I know the amount of my cumulative employee contributions?**

Your total contribution and interest earned is provided in the Payroll system (UKG).

Employees may also call the Payroll department to inquire as to total amount they have contributed to the Plan.

7. **Can I use my Employee contributions as collateral on a loan?**

Contributions may not be used as collateral on loans because they cannot be withdrawn at any time. The Retirement Plan should not be confused with a savings account.

8. **Can I have additional pension contributions withheld from my paycheck?**

No. According to the terms of the Plan all eligible employees will contribute the same percentage of their gross earnings.

For additional retirement contributions the City sponsors the 457 Deferred Compensation Plan to supplement retirement income. More information may be obtained from Human Resources.

YOUR SERVICE

9. **What qualifies as "service" under the Plan?**

Basically, your years of employment with the City are counted in two ways, and it is important to be able to distinguish between them-- "continuous" and "credited".

Continuous service means all your unbroken service with the City from the date you are hired to retirement or earlier date of termination. Such service will not be considered broken during a layoff or authorized leave of absence, not exceeding one year, but the time of such layoff or leave of absence will not be counted as continuous service.

Credited service is the sum of your continuous full-time employment. You shall receive one year of credited service for each twelve-month period of continuous full-time employment. A partial year of credited service shall be granted for each completed month of continuous full-time employment.

10. When am I fully vested in the Plan?

Employees with seven (7) years of credited service, or more, are fully vested.

YOUR BENEFIT OPTIONS

11. When can I draw retirement benefits?

Benefits are payable at the time of retirement. Below are the types of retirement under the Plan:

Normal Retirement Your normal retirement date is the first day of the month following your 65th birthday. You may continue in employment after your normal retirement date. You will start to receive monthly benefit checks as of the first day of the next month following your actual retirement date, based on your credited service and final average earnings.

Early Retirement You may retire at age 55 or at any age between then and age 65 if you have at least seven (7) years of continuous service. You will be entitled to receive either:

- A) A retirement income beginning at your normal retirement date based on your final average earnings and credited service at the time of early retirement; or
- B) A reduced retirement income beginning at your early retirement date. Early retirement benefits are actuarially reduced to reflect the shorter period of contributions and the longer period over which you can expect to receive benefits. (For example, the reduction is 50% for payments commencing the first of the month following attainment of age [55](#), and 33.333% for payments commencing the first day of the month following the attainment of age 60 [i.e., 66.667% of the Normal Retirement Benefit is paid], and so on).

Disability Retirement If you have seven (7) years of credited service and become totally and permanently disabled, you may be entitled to receive a disability retirement income as of the date of your disability. If you are less than age 55 on the date of disability retirement, you may, at age 55, elect to have the disability retirement treated as an Early Retirement.

YOUR RETIREMENT INCOME

12. How much can I expect to receive from the Plan when I retire?

If you retire at normal retirement age or later, you will be entitled to a retirement income, payable monthly for life, in an amount equal to the greatest of:

- (A) 2.5% of your final average earnings (as defined in the glossary), multiplied by the number of years of your credited service; or
- (B) \$5.00 of monthly retirement income multiplied by the number of years of your credited service; or
- (C) \$212.00 per month provided you have completed at least seven (7) years of continuous service.

13. What can I expect from Social Security?

Your benefits from Social Security, which uses your taxes and the City's to provide a minimum floor of lifetime income, are in addition to your benefits from the Retirement Plan. They will be figured when payable upon retirement, death or disability and will be based on your earnings subject to Social Security taxes and on the law in effect at the time.

Remember, Social Security benefits are not paid automatically. You must apply for them. You should also apply for Medicare coverage before age 65. You can contact the Social Security Administration office for details.

HOW YOUR RETIREMENT BENEFIT IS PAID

14. How will my benefit be paid?

Normally, your retirement income will be paid in equal monthly installments for as long as you live, beginning when you retire. This form of payment is called a straight life annuity, and your benefits will be paid under this form unless you elect one of the optional forms of benefit payment provided by the Plan.

15. What are my choices under the optional forms?

You may elect to receive your benefit (other than a disability benefit) under an optional form of payment. Your retirement income under any optional form is equivalent to your benefit payable under the straight life annuity. The options available to you are described below:

- (A) **Joint and Survivor Annuity** You may elect to receive a reduced amount of your benefit during your lifetime plus, when you die, three-quarters, two-thirds, or one-half of your income from the Plan will continue to your spouse or other designated beneficiary and the percentage of benefit you choose for your spouse to continue receiving after your death.
- (B) **Guaranteed Period Income** This option guarantees that your retirement benefit will be paid for at least five or ten years (according to your election).
- (C) **Level Income** This option provides that a person who receives benefits under early retirement, and who can provide evidence of good health, may elect to receive an adjusted annuity in a greater amount before becoming eligible for social security benefits. The benefit would be correspondingly reduced when Social Security benefits begin so that total income will be as nearly uniform both before and after becoming eligible for Social Security benefits.
- (D) **Lump Sum/Monthly Benefit Combination** You may choose to receive in a lump sum the amount of your own contributions to the retirement plan together with the credited interest. It is required that the portion contributed by the City, along with the interest on the City's contribution, must be taken by the retiree in the form of a monthly annuity.

16. Is it possible to change an election?

You may revoke an election at any time before the date benefits payments are to begin. An election may not be changed after retirement.

17. When and how do I notify the City of my intention to retire?

In order to allow City staff sufficient time to compute retirement benefits and to obtain authorization from the Administrative Committee, employees should provide written notification at least sixty (60) calendar days prior to their planned retirement date to both their supervisor and to Human Resources.

TERMINATION PRIOR TO RETIREMENT

18. What if my employment is terminated before retirement?

If you should resign, be discharged, laid-off for one year or more, or fail to return to work after a leave of absence, your participation in the Plan will terminate. Also, if your status should change from full-time employee to part-time employee, your participation in the Plan will be terminated.

19. What happens to my benefit if I terminate Plan participation?

If your participation in the Plan terminates (other than for retirement benefits previously described), you will be entitled to receive a lump sum of your own contributions plus interest. Interest is based on actual fund investment earnings.

DEATH BENEFITS

20. What happens to my benefit if I die?

In the event of your death prior to vesting in the Plan, your beneficiary will receive the sum of your own contributions plus credited interest. If your death occurs after vesting in the Plan and prior to receiving a retirement benefit, your beneficiary will receive in a lump sum an amount equal to the sum of your contributions and credited interest, together with the contributions of the City (excluding credited interest). If you should die after retirement, any death benefits will be prescribed by the form of payment in effect. However, you and your beneficiary will never receive less than the value of your own contributions plus credited interest.

21. How do I designate my beneficiary?

You can designate a beneficiary or change beneficiaries by completing a form for that purpose and submitting it to the Human Resources Department. This form can be found on the Employee Intranet, or in the Human Resources Department. If you don't designate a beneficiary, your death benefit, if any, will be paid to the executors or administrators of your estate.

ADMINISTRATION OF THE RETIREMENT PLAN

22. Who manages the Retirement Plan?

The Plan is administered by the Administrative Committee consisting of the City Manager, City Treasurer, City Attorney, Director of Finance, City Clerk, Director of Human Resources, five City of Edmond employees, one City of Edmond Retiree and one Citizen of the City, who are appointed by the City Council. The Administrative Committee meets every two months and establishes and enforces necessary rules and procedures, decides all questions concerning eligibility, determines the person or persons to whom benefits shall be paid, computes the amount of benefits, and authorizes the payment of benefits. The Administrative Committee also directs investment of the Plan's funds.

23. How do I know the Plan is sound?

The Plan is very carefully managed by the Administrative Committee to assure that the Plan remains financially sound. City ordinance provides that every two years, an independent actuarial firm review the Plan to determine its solvency and soundness, and to determine the level at which contributions must be made to continue to meet the Plan's liabilities.

The Administrative Committee votes on a selection of outside money manager firms to professionally manage the assets of the Plan. An investment consultant is utilized to assist the Administrative Committee in the monitoring of these money managers. The Administrative Committee meets quarterly with the investment consultant to review the investment returns and market changes for each money manager. This process allows for proactive asset management of the Plan.