

**SERVICE CREDIT PURCHASE
ADDENDUM TO THE
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
DEFINED BENEFIT RETIREMENT PLAN
ADOPTION AGREEMENT**

This is an Addendum to the Adoption Agreement completed by the City of Cartersville, Georgia. It modifies the Adoption Agreement to provide for service credit purchases for eligible Participants in the Retirement Plan for the Employees of the City of Cartersville, in accordance with and subject to the following requirements:

- (1) Service Credit Purchase; Eligibility Requirements. Subject to any conditions specified in Section 13.B. or 13.C. of the Adoption Agreement and in this Service Credit Purchase Addendum, Participants in this Plan who are actively employed on or after September 1, 2023, and who were initially employed prior to July 1, 2023, may purchase credit under this Plan for the Participant’s full-time Service with the City during the participant’s “waiting period” (i.e., from the Participant’s date of hire as an Eligible Employee until the date on which the Participant commenced participation in the Plan). The purchase of prior service credit is permitted but not required under this Plan. Such purchases will be allowed to the extent permitted by law, subject to any conditions, proofs, or acceptance that the Pension Committee Secretary or GMEBS deem appropriate.**

- (2) Use of Purchased Service Credit. Subject to any conditions or limitations provided in this Addendum, service credit purchased hereunder will be counted as Credited Service for purposes of (check all that apply):**
 - computing the amount of benefits payable under the Plan;**
 - meeting the minimum service requirements for vesting under the Plan;**
 - meeting the minimum service requirements for benefit eligibility under the Plan.**

- (3) Application to Purchase Service Credit. A Participant who meets the eligibility requirements specified in paragraph (1) above and who**

wishes to purchase eligible service credit as described in paragraph (1) above may apply for such purchase by completing and submitting to the Pension Committee Secretary an application form provided for that purpose. Participants will be responsible for providing the Pension Committee Secretary with any information or documentation that the Pension Committee Secretary deems necessary to establish that the Participant's service is eligible for purchase under paragraph (1) above.

- (4) **Window Period for Application.** In order to purchase service credit, eligible Participants may submit the service credit purchase application during the period of October 1, 2023 – November 30, 2023, and October 1, 2024 – November 30, 2024. If a Participant does not submit a completed application to purchase service credit within the designated window period, the Participant will not be permitted to purchase service credit. As a precondition for approval of his or her application, the Participant will be responsible for providing the Pension Committee Secretary with any additional information or documentation that the Pension Committee Secretary deems necessary to establish that the Participant's service is eligible for purchase under paragraph (1) above. Notwithstanding any provision herein to the contrary, no Participant may apply for or purchase prior service credit after his or her termination of employment.
- (5) **Review by Pension Committee Secretary.** Within 30 days after the end of the application period, the Pension Committee Secretary will review the Participant's application to purchase service credit and will determine whether the application should be accepted. Upon approval of an application by the Pension Committee Secretary, the Pension Committee Secretary will certify on the application the number of years and months of prior service that are eligible for purchase under paragraph (1) above.
- (6) **Fee for Cost Study.** As a precondition for approval of the application to purchase service credit, and prior to the commencement of any cost study, Participants may be required by the Employer to pay all or a portion of the GMEBS actuarial cost study fee(s) associated with determining the cost to purchase the Participant's eligible service credit. Any portion of the fee that the Participant is not required to pay will be paid by the Employer.

- (7) **Actuarial Study to Determine Cost of Purchase.** In the event that a cost study has not been undertaken prior to the Participant's submission of a completed application to purchase service credit, if the Participant's application to purchase is approved by the Pension Committee Secretary, a cost study will be undertaken as soon as reasonably practicable after the application has been approved, in order to determine the actuarial cost relating to the Participant's prior service that is eligible for purchase.
- (8) **Lump Sum Payment Required Within 120 Days.** Upon completion of the cost study, the Pension Committee Secretary will notify the Participant of the lump sum amount required to purchase prior service credit, as reflected in the cost study. Within 120 days of receiving this notice or of receiving notice of the Pension Committee's approval of the Participant's application to purchase service credit, whichever is later, the Participant shall remit said lump sum amount in the form and manner required by paragraphs (9)-(11) below, the Pension Committee Secretary, and GMEBS. The Participant may remit less than the full lump amount necessary to purchase all of the prior service credit which is eligible for purchase, in which case the percentage of service credit awarded will be equal to the percentage of the full amount remitted. The Pension Committee Secretary shall have the authority to extend the 120-day time period for payment of lump sum amounts required to purchase service credit if, for reasons outside the control of the Participant, payment cannot be made within the 120-day period. However, the time limit for payment will not be extended any later than an additional 120 days and in no event may a Participant make such payment after his or her termination of employment.
- (9) **Method of Payment.** To the extent permitted by the Internal Revenue Code and regulations issued thereunder, the lump sum amount referred to in paragraph (8) above may be paid via one or more of the following sources: (1) a direct trustee-to-trustee transfer from a 401(a) qualified retirement plan, a governmental 457(b) deferred compensation plan or a 403(b) tax sheltered annuity; (2) a qualified rollover from a governmental 457(b) plan, 403(b) tax-sheltered annuity plan, 401(a) qualified plan, 403(a) annuity plan, or a 408(a) or 408(b) individual retirement account or annuity (traditional IRA); or (3) a lump sum contribution of after-tax funds. Participants shall be solely responsible

for effecting the payment referred to herein. Participants will not be permitted to purchase credit via payroll deduction.

- (10) **Limitation on Amount of Lump Sum Payment.** If the lump sum amount referred to in paragraph (8) is paid via any method other than as described under paragraph (9)(1) or (9)(2) above, then the Participant shall not be permitted to contribute to the Plan in any calendar year an amount which exceeds any applicable limit specified in Internal Revenue Code Section 415.
- (11) **IRC 415, Other Limitations.** Notwithstanding any other provision of the Adoption Agreement or this Addendum to the contrary, the Plan will not accept and shall return without interest any contribution or portion of a contribution made to purchase service credit if such contribution would result in a violation of the applicable limitations established under Internal Revenue Code Section 415(b), (c), or (n) or any other provision of law or the Plan, or if it is later determined that the Participant's prior service is not eligible for purchase, and any prior service credit attributable to said contribution or portion of a contribution will be forfeited.
- (12) **Return of Contributions.** Contributions made to purchase prior service credit shall be used to fund retirement and death benefits payable under the Plan relating to such credit. Contributions shall not otherwise be refundable to the Participant or any other person, except as otherwise provided in this paragraph (12) or in Section 13.06 or 18.04 of the Master Plan Document (concerning failure to exhaust or termination of the Plan, respectively). Participants (check one):
- will not be permitted to withdraw contributions made to purchase prior service credit upon termination of employment (Participants must be vested to purchase prior service credit).
 - will not be permitted to withdraw contributions made to purchase prior service credit upon termination of employment, unless they are not vested upon termination (Participants are not required to be vested to purchase prior service credit).
 - will be permitted to withdraw contributions made to purchase service credit upon termination of employment, subject to the provisions of Section 13.03(c) of the Master Plan Document

concerning the effect of withdrawal. For purposes of determining the amount of any refund of contributions made to purchase service credit, said contributions shall be credited with interest at 0% (but see General Addendum subsection 16(i) concerning the rate of interest in the event of failure to exhaust), subject to any limitations on the crediting of interest in Section 13.03(c) of the Master Plan Document.

- will be permitted to withdraw contributions made to purchase service credit upon termination of employment, subject to the following conditions for repayment (must describe):
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Note: Partial withdrawal of employee contributions is not permitted. If the Participant withdraws contributions made to purchase service credit, the Participant will forfeit any and all service credit and/or benefits attributable to such purchase for all purposes.

(13) Repayment Upon Reemployment. If the Participant returns to employment with the Employer after having withdrawn his contributions made to purchase prior service credit, the Participant (check one):

- not applicable (withdrawal not permitted).
- will not be permitted to re-purchase said service credit upon reemployment.
- will be permitted to re-purchase said service credit upon reemployment, based on the actuarial cost of such service credit, taking into account the additional actuarial cost of any benefit enhancements adopted prior to reemployment pursuant to paragraph (14) below, provided that the Participant makes application for such re-purchase within [insert time limit] after reemployment and provided the Participant effects payment for such re-purchase in accordance with and subject to the provisions of this Addendum within [insert time limit] after the application is approved.
- will be permitted to re-purchase said service credit upon reemployment, subject to the following conditions for

repayment (must describe other repayment method): A Participant who returns to employment with the City after having withdrawn Contributions made to purchase prior service credit shall be subject to the applicable provisions of Section 13.03(d) and (e) of the Master Plan concerning repayment of Employee Contributions for the purpose of restoring Credited Service under this Plan that was previously forfeited by virtue of the Participant's withdrawal of Employee Contributions, provided, that the period of time between the Participant's Termination of employment and the Participant's date of reemployment is less than or equal to five (5) years. If a Participant returns to employment more than five (5) years after his or her most recent Termination of employment, the Participant will not be eligible to repay withdrawn Employee Contributions or restore previously forfeited Credited Service under the Plan.

(14) Definition of Actuarial Cost. The cost to purchase qualifying prior service credit shall be determined based upon the actuarial cost of said prior service credit. In applying the provisions of the Adoption Agreement and this Service Credit Purchase Addendum, the term "actuarial cost of prior service credit" means:

- the actuarial accrued liability relating to such prior service as determined by the GMEBS actuary and calculated using the actuarial assumptions and methods established for this purpose in the funding policy adopted by the GMEBS Board of Trustees.**
- Other (must specify other method of determining actuarial cost for this purpose): _____.**

The terms of the foregoing Service Credit Purchase Addendum to the Adoption Agreement are approved by the Mayor and Council of the City of Cartersville, Georgia this _____ day of _____, 20____.

Attest: CITY OF CARTERSVILLE, GEORGIA

City Clerk

Mayor

(SEAL)

Approved:

City Attorney

The terms of the foregoing Service Credit Purchase Addendum are approved by the Board of Trustees of the Georgia Municipal Employees Benefit System.

IN WITNESS WHEREOF, the Board of Trustees of the Georgia Municipal Employees Benefit System has caused its Seal and the signatures of its duly authorized officers to be affixed this _____ day of _____, 20____.

**Board of Trustees
Georgia Municipal Employees
Benefit System**

(SEAL)

Secretary