

CITY OF NEWPORT
EMPLOYEE RETIREMENT PLAN
SUMMARY PLAN DESCRIPTION
DEFINED BENEFIT WITH MONEY PURCHASE
RETIREMENT PROGRAM



Employees Covered:

Non-union Employees hired on or before March 5, 2012

Newport Employees' Association Employees hired on or before October 15, 2012

Newport Police Employees (non PERS) hired on or before October 15, 2012

October 2015

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City of Newport

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**GENERAL DESCRIPTION
OF
CITY OF NEWPORT
EMPLOYEES' RETIREMENT PLAN**

The City of Newport utilizes two separate systems to provide retirement benefits to city employees. The Public Employees Retirement System of Oregon (PERS) provides retirement benefits to full-time firefighters and sworn police officers employed by the City of Newport. PERS is administered by a twelve member Board of Trustees appointed by the Governor.

The City of Newport Employees' Retirement Plan provides retirement benefits to all other qualified employees within the City of Newport. The summary plan description which follows outlines the retirement benefits for those employees who are covered by the city administrated retirement plan.

In addition to the primary retirement benefits offered by PERS and the City of Newport Employees' Retirement Plan, the City of Newport also makes available an employee funded 457(b) Deferred Compensation plan through Nationwide. Please contact Human Resources for further details.

The balance of this summary plan description applies only to Newport Employees' Retirement Plan.

City of Newport Employees' Retirement Plan

The city retirement plan provisions are governed by the City of Newport Employees' Retirement Plan 2009 Restatement as amended. This document provides the details of which employees are qualified for coverage under the plan, the benefits provided by the plan, vesting, and how the plan is administered. The plan will be restated from time to time and can be amended by the City Council. The City of Newport Employees' Retirement Plan 2009 Restatement as amended can be found online at http://www.NewportOregon.gov/dept/adm/agreements/1319/agreement_1319.pdf

Under the City of Newport Employees' Retirement Plan there are two separate benefit levels in place depending on the date of hire of a qualified employee to a position under the plan. Amendment No. 2 to the 2009 Restatement of the City of Newport Employees' Retirement Plan made changes to the benefits paid to nonunion employees hired after March 5, 2012. In addition, by agreement with the Newport Employees' Association and Newport Police Association for newly hired employees other than police officers, the same provisions were put into effect for employees hired into a qualified position after October 15, 2012.

Defined Benefit with Money Purchase Retirement Program

The balance of this handbook will cover benefits for those employees who were hired on or before March 5, 2012, (nonunion) and hired on or before October

15, 2012, for employees of the Newport Employees' Association (Article 15 - Retirement) and Newport Police Association (Article 18 – Retirement) for employees other than police officers.

The contribution by the city into the retirement program for qualified employees includes a money purchase contribution equal to 6% of the base wages. In addition, qualified employees, upon meeting their requirements for a Normal Retirement will receive a defined benefit in the form of an annuity equal to Benefit Years x 1.2 percent x Average Monthly Earnings. Employees also can voluntarily contribute an amount up to 10% of base salary through payroll deduction into the retirement plan. Please note that unlike contributions into the City of Newport 457(b) Plan, voluntary contributions are subject to taxation.

Upon retirement, employees can take the city funded money purchase contribution, the defined benefit and any employee contributions into the plan as an annuity. As an alternative, employees can request a lump sum payout of any of three components of the retirement plan outlined above.

Retirement Plan Administrator

The retirement plan administrator is the city's Finance Director. It is the administrator's responsibility to interpret the plan and decide any questions about the rights of participants and beneficiaries under the plan. In addition, the administrator shall retain the enrolled actuary and appoint any independent public accountants as required for the administration of the plan. The actuary is responsible for determining city contributions to the Retirement Trust which are necessary to support future retirement obligations and for allocation of the pooled assets to employees for purposes of retirement. The administrator's decisions shall be final and binding on all parties subject only to appeal rights as provided in the plan documents. Please note that any appeal of the plan administrator's decisions would be heard by the City of Newport Retirement Trust.

Please contact Human Resources for any questions, changes in address, beneficiary, voluntary retirement contribution, and other matters relating to your City of Newport Retirement Benefits. Human Resources will initiate any of these changes for implementation by the Finance Department.

Retirement Trust

The City of Newport has established a Retirement Trust which is maintained for the exclusive benefit of qualified employees and is intended to comply with Section 501 and related provisions of the Internal Revenue Code in order to maintain its current tax status. The Retirement Trust is responsible for funds deposited into the retirement program. The Trust is charged with pooling funds received from the City of Newport and individual employees for retirement obligations and investing those funds to provide a return to the trust fund to meet future retirement obligations and to provide a return to retirees included in the defined contribution program. The Trust has general responsibility for administering the trust, appointing investment

managers, and directing investments in accordance with the standards outlined in the Trust. The Trust is governed by five trustees appointed by the Mayor subject to confirmation by the City Council to four year terms in accordance with the Municipal Code Section 2.05.002. One of the trustees must be a non-department head employee qualified for benefits under the City of Newport Employees' Retirement Plan as provided for in Section 2.05.020(A) of the Municipal Code. The City of Newport Retirement Trust 1993 Restatement dated October 1, 1993 can be found online at

http://www.NewportOregon.gov/dept/adm/agreements/513/agreement_513.pdf.

Plan Restatement

The IRS requires retirement plans to be restated from time to time. The City of Newport Employees' Retirement Plan will be restated on or about January 1, 2016. Once that plan is restated in order to meet current IRS regulations then this handbook will be updated accordingly.

DEFINED BENEFIT WITH MONEY PURCHASE RETIREMENT PROGRAM

The following summary describes briefly the principal provisions of the Plan as currently in effect. It is prepared as a convenience to you.

Every effort has been made to describe the provisions of the Plan with accuracy and clarity. This summary will give you a good overview of how the Plan works and your rights and obligations under the Plan. Because it is only a summary, however, it omits much of the detail found in the Plan document itself. Should any discrepancy exist between Plan and this summary, the official Plan is the controlling document and is binding upon all parties. The Plan is available online or for review at the City Manager or Finance Offices during regular business hours.

1. PARTICIPATION

1.1 Participation

You start participation in the Plan on the first day of the month on or next after satisfying all of the following requirements:

- You are age 18.
- You have been employed by the City of Newport for six continuous months.
- You are a Qualified Employee.

1.2 Definition of Qualified Employee

Any employee of the City of Newport is a Qualified Employee except the following:

- An employee covered by a collective bargaining agreement that does not provide for participation in this Plan
- A police officer or a fire fighter.
- A part-time employee regularly scheduled to work fewer than 30 hours a week.
- A temporary employee hired for a specified period of time or an unspecified period of limited duration.
- A leased employee on the payroll of an outside firm.

2. SERVICE

2.1 Years of Service

You will receive a “**Year of Service**” for each 12-month period of continuous employment ending on an anniversary of the date you were hired by the City of Newport. All full or partial **years of service** since your last hire are counted. The number of your **years of service** is one of the factors that determine the vested portion of your retirement benefits (see section 12).

2.2 Benefit Years

The number of your “**Benefit Years**” is one of the factors which determine the dollar amount of your defined benefit under the Plan (see paragraph 3). You will be credited with one **benefit year** of each **year of service** after July 1, 1963 during the following periods:

- Period of employment as a qualified employee (see 1.2 above).
- Periods of paid leave of absence (see 2.4 below).
- Periods of unpaid leave of absence for military service (see 2.4 below).

2.3 Termination of Employment

Your service will accumulate continuously until you have a termination of employment. Generally, a leave of absence is not a termination of employment (see 2.4 below). If you are rehired after a termination, your **years of service** and **benefit years** before the termination will be counted only if you had at least three **years of service** before the termination and did **NOT** withdraw your Money Purchase accounts (see sections 3.1 and 13.2 below),

2.4 Leave of Absence

If you are on a paid or unpaid leave of absence you will not be treated as having terminated employment for purposes of this Plan unless you fail to meet the conditions of the leave or fail to return to work when required, in which case your employment shall terminate and accrual of benefits will stop as of the date of the leave of absence began.

Leave of absence means the following:

- Leave authorized by the City of Newport if you return to work or retire within the time prescribed by the City of Newport, and otherwise fulfill all conditions imposed by the city.
- Leave of absence because of illness or accident if you promptly return to work after recovery.
- Periods of military service if you return to work with employment rights protected by law.

3. MONEY PURCHASE AND VOLUNTARY CONTRIBUTION ACCOUNTS

Your basic benefit under the Plan is a monthly pension for life equal to the sum of the following:

- A defined benefit equal to your **benefit years** times 1.2 percent of your average monthly earnings.
- A money purchase benefit, which is an annuity equal in value to the combined balances of your employee and the city of Newport money purchase accounts.
- A voluntary contribution benefit, which is an annuity equal in value to the balance of your voluntary contribution account.

This section describes your **Money Purchase** and voluntary contribution accounts, also known as the Defined Contribution Plan. More information about your basic benefit, including how your defined benefit is computed, is provided in section 5.

3.1 Money Purchase Accounts

Each year the City of Newport makes a Money Purchase contribution to the City of Newport Money Purchase account equal to 6 percent of your base compensation as a qualified employee for the plan year. Base compensation for this purpose means pay reportable on IRS Form W-2, while a qualified employee, adjusted as follows:

- Elective contribution to a deferred compensation plan under Section 457 of the Internal Revenue Code are included.
- Elective contribution to a cafeteria plan under Section 125 of the Internal Revenue Code are included.

- Reimbursements or other expenses, allowances, fringe benefits, moving expenses, severance or disability pay and other deferred compensation and welfare benefits are excluded.
- Overtime pay on-call pay, differential, comp time, and any other pay in addition to base pay are excluded.
- Contribution limits as established by laws cannot be exceeded.

In the past, the Plan required participants to make Money Purchase contributions to the Plan. If you made any “employee Money Purchase contributions”, they are held in a separate employee Money Purchase account. You are no longer required to make such contributions. Your combined employee and the City of Newport Money Purchase accounts are called Money Purchase accounts.

3.2 Voluntary Contribution Accounts

Each year you may elect to have up to 10% of your compensation as defined in 3.1 above contributed to the Plan as a voluntary after-tax contribution to your voluntary contribution account.

3.3 Accounts, Valuations and Allocation

The Plan Administrator will set up such separate accounts for your Money Purchase contributions, your voluntary contribution and any rollovers or transfers as may be necessary for proper plan administration. Accounts are invested per the investment policy between the Trustee and the Investment Advisors which are chosen by the Trustee.

The Trustee values the Trust each year and your accounts are adjusted by the actuary retained by the Plan Administrator in proportion to your account balances to reflect any gains or losses. More frequent valuations may occur if the Trustee decides that they are necessary. Each year you will receive a statement from the Plan Administrator showing contributions to your accounts, your vesting level, and your account balances.

3.4 Withdrawal of Voluntary Contributions

You may withdraw all or part of your voluntary contribution account before retirement in the following order:

1. You may withdraw contributions made before 1987 (exclusive of earnings) or the current value of the account.

2. If all amounts withdrawn under (1) have been withdrawn, you may withdraw contributions made after 1986 and a proportionate share of earnings.
3. If all amounts under (1) and (2) have been withdrawn, you may withdraw any earnings on contributions made before 1987.

3.5 Taxability of Voluntary Contribution and Money Purchase Accounts

Voluntary Contribution and Money Purchase Accounts. Voluntary contributions are made to the Plan on an after-tax basis. When after-tax contributions are paid to you, they are not taxable because you have already paid taxes on them. Earnings on these after-tax contributions, however, are taxable to you when you receive them from the Plan. Also, these earnings are generally subject to a 10 percent federal penalty tax (in addition to regular income taxes) if you withdraw them before (i) you reach age 59 ½ or (ii) you have separated from service and reached age 55. Please consult your tax advisor for more information.

Employer Money Purchase Accounts. Employer Money Purchase contributions are not taxable to you when credited to your account and you do not report them as income on your tax return. However, these contributions and the earnings on them are taxable to you when they are paid to you. Also, these earnings are generally subject to a 10 percent federal penalty tax (in addition to regular income taxes) if you withdraw them before (i) you reach age 59 ½ or (ii) you have separated from service and reached age 55. Please consult your tax advisor for more information.

4. ROLLOVERS AND TRANSFERS BETWEEN PLANS

Rollovers and Plan-to-Plan Transfers to this Plan. If you have an account under the tax qualified retirement plan of another employer, you may be able to transfer your account under the other plan to this Plan by means of a (i) regular rollover, (ii) direct rollover or (iii) plan-to-plan transfer.

Regular Rollover. If you are paid a total distribution or an eligible rollover distribution from another employer's retirement plan, or if you have an Individual Retirement Account (IRA) that holds only amounts rolled over from one and more such distributions from other plans, you may be able to roll over your distribution or IRA to this plan. All regular rollovers must be made within 60 days of the date you received the distribution from the other plan or IRA.

Direct Rollover. You may also be able to arrange to have all or part of your account under another employer's retirement plan transferred to this Plan in a "direct rollover" of an "eligible rollover distribution". In a direct rollover, all or part of the eligible rollover distribution is either sent directly to this Plan, or distributed to you in the form of a check payable only to your account under this Plan.

Plan-to-Plan Transfer. You may also be able to have your account under another employer's retirement plan transferred to this Plan by means of a direct plan-to-plan transfer.

Rollovers and Plan-to-Plan Transfers from this Plan. If you have an amount this is distributable to you from this Plan, you may be able to transfer it to the tax-qualified retirement plan of another employer by means of a regular or direct rollover or a plan-to-plan transfer. You may also be able to transfer your account to an IRA by means of a regular or direct rollover and, if the IRA holds only amounts rolled over from other plans, you may be able to subsequently transfer it to the retirement plan of another employer.

The rules governing rollovers and plan-to-plan transfer are complex. If you are interested in making a rollover or transfer, please contact the City of Newport Human Resources Department.

5. NORMAL RETIREMENT BASIC BENEFIT

Your normal retirement date is the first day of the month on or after the day you reach age 62. Your normal retirement basic benefit is a monthly pension for life. The amount of the monthly benefit is the sum of the following:

- The defined benefit, which is 1.2 % of your average monthly earnings multiplied by your benefit years, **plus**
- The Money Purchase benefit, which is an annuity equal in value to the combined balances of your employee and Employer Money Purchase contribution accounts (see section 3 above), **plus**
- The voluntary contribution benefit, which is an annuity equal in value to the balance of your voluntary contribution account (see section 3 above).

The defined benefit is never less than the largest defined benefit you could have received if you had elected to retire early (see 6 below).

Average Monthly Earnings means the average of your Monthly Earnings in the three consecutive plan years in which you earned the highest compensation from Employer during the last 10 years of employment. If you worked fewer than three plan years, all years will be used. Your Monthly Earnings for a plan year are one-twelfth of your compensation as defined in 3.1 above. During periods of reduced compensation because of illness, disability, layoff or leave of absence, compensation is figured at the last regular rate before the start of the period.

For example: You retire at age 62 with 35 benefit years. Your average monthly earnings in your last three years of employment are \$2,000, which is higher than in any other three-year period during the last 10 years. Your monthly normal retirement basic benefit is calculated as follows:

Defined Benefit

Average Monthly Earnings	\$2,000
Times 1.2 percent	<u>x.0120</u>
	\$ 24
Times Benefit Years	<u>x 35</u>
	\$ 840

Money Purchase Benefit

Assume that your combined employee and the City of Newport Money Purchase accounts yield an annuity equal to \$600 a month. (The total amount in these accounts depends on earnings on the contributions. This example is only for purposes of illustration, and should not be taken as a prediction of how much your account will eventually yield.)

Voluntary Contribution Benefit

Assume that your voluntary contribution account yields an annuity equal to \$200 a month. (The total amount in this account depends on how much you contribute, earnings on the contributions, and any withdrawals you may have made. This example is only for purposes of illustration, and should not be taken as a prediction of how much your account will eventually yield.)

Total Monthly Benefit

Defined Benefit	\$ 840
Money Purchase Benefit	\$ 600
Voluntary Contribution Benefit	<u>\$ 200</u>
Monthly Normal Retirement Basic Benefit	\$1,640

The amount of the normal retirement basic benefit is expressed as a life annuity with no payments after your death. If you chose a form of benefit that provides for continuing payment after your death, the amount of your monthly payment will be reduced (see 8, below).

6. EARLY RETIREMENT BASIC BENEFIT

You may retire early on the first day of any month after you are 55 and have 10 years of service. Your monthly early retirement basic benefit will be determined as if it were a normal retirement basic benefit, adjusted as follows:

- If you have 25 or more years of service and start benefits at age 60 or later, there will be no reduction in your benefit.
- If you have 30 or more years of service and start benefits at age 55 or later, there will be no reduction in your benefit.

If you do not qualify under the first two rules, the defined benefit portion of your benefit will be reduced by 0.6% for each month by which the benefit starting date precedes age 62.

For example: You retire at age 61 with 20 years of service and 20 benefit years. Your average monthly earnings in your last three years of employment are \$2,000, which is higher than in any other three year period during the last 10 years. Your defined benefit would be calculated as follows:

Average Monthly Earnings	\$2,000
Times 1.2 percent	<u>x.0120</u>
	\$ 24
Times Benefit Years	<u>x 20</u>
	\$ 480

Since the benefit starting date (age 61) precedes age 62 by 12 months, the reduction factor for early retirement would be 0.6 percent times 12 (.006 x 12), or 7.2 percent. The defined benefit portion of your benefit (\$480) would then be reduced by 7.2 percent (\$34.56) to \$445.44.

The remaining \$445.44 would be added to the annuity value of your Money Purchase accounts and your voluntary contribution account to determine your monthly annuity. If your Money Purchase accounts yielded an annuity of \$350 a month and your voluntary contribution account yielded of \$125 a month, your monthly pension would be as follows:

Defined Benefit	\$445.44
Money Purchase Benefit	\$350.00
Voluntary Contribution Benefit	<u>\$125.00</u>
Monthly Early Retirement Basic Benefit	\$920.44

7. DEFERRED RETIREMENT BASIC BENEFIT

If you work past age 62, your retirement benefits will be deferred until you terminate employment. Your monthly deferred retirement basic benefit will be determined as if it were a normal retirement basic benefit, adjusted as follows:

- The defined benefit portion of your benefit will be based on benefit years and average monthly earnings at the earlier of your actual retirement date or age 65.
- The defined benefit portion of your benefit will be actuarially adjusted.
- Your money purchase benefit and voluntary contribution benefit will be based on your money purchase and voluntary contribution account balances at retirement.

For example: You retire at age 67 with 37 benefit years and average monthly earnings of \$2,500. At age 65 you had 35 benefit years and average monthly earning of \$2,000. Your defined benefit would be calculated as follows:

Average monthly earnings at age 65	\$2,000.00
Times 1.2 percent	<u>x .0120</u>
	\$ 24.00
Times benefit years at age 65	<u>x 35</u>
	\$ 840.00
Times actuarial equivalence factor	<u>x 1.189</u>
	\$ 998.76

Then your defined benefit will be added to the annuity value of your Money Purchase accounts and your voluntary contribution account at retirement to determine your monthly annuity. If your Money Purchase accounts yielded an annuity of \$600 a month at retirement and your voluntary contribution account

yielded an annuity of \$200 a month at retirement, your monthly pension would be as follows:

<i>Defined Benefit</i>	\$ 998.76
<i>Money Purchase Benefit</i>	\$ 600.00
<i>Voluntary Contribution Benefit</i>	<u>\$ 200.00</u>
<i>Monthly Deferred Retirement Basic Benefit</i>	\$1,798.76

8. FORM OF BENEFIT

8.1 Basic Benefit

The basic retirement benefit is a life annuity with equal monthly payments for your life, and no continued payments after your death.

Your benefits will automatically be paid as a life annuity unless you choose another form of benefit described below.

8.2 50% Contingent Annuity

This option provides for continuation of 50% of your monthly retirement benefit to your designated beneficiary if you should die first after retirement. If your designated beneficiary dies first, your monthly retirement benefit continues as long as you live. The monthly benefit to you under this option is less than under the life annuity because the benefits are expected to be paid over a longer period of time.

8.3 100% Contingent Annuity

This option provides for continuation of 100% of your monthly retirement benefit to your designated beneficiary if you should die first after retirement. If your designated beneficiary dies first, your monthly retirement benefit continues as long as you live. The monthly benefit to you under this option is less than under the life annuity because the benefits are expected to be paid over a longer period of time.

8.4 Social Security Level Income Option

If you retire early, you may elect to receive a life annuity with larger payments before you first become eligible for Social Security and smaller payments after you become eligible so as to provide approximately equal income before and after Social security benefits start.

8.5 Financial Effect of Annuity Options

The amount of your monthly pension will depend on the form of benefit you choose.

- Electing to receive the Social Security level income benefit under 8.4 will result initially in the largest monthly benefit payment. However, the amount of the monthly payment will decrease when you become eligible for Social Security.
- Electing to receive a life annuity with no continued payments after death under 8.4 will provide you with a constant monthly payment. The amount of the payment will be less than the initial Social Security level income payments but more than the monthly payments under either of the contingent annuities.
- Electing one of the contingent annuity forms of benefits under 8.2 or 8.3 will reduce the amount of your monthly pension but will provide for a percentage of your benefit to be continued to your beneficiary. The 100% contingent annuity will reduce your monthly payment more than the 50% contingent annuity.
- All of the benefit forms are actuarially equivalent. This means that adjustments in payment levels are based on life expectancies calculated by the Plan's actuaries, so that, actuarially, none of the benefit forms is more valuable than another.

8.6 Other Options Approved by the Plan Administrator

If you want to receive benefits in another form, such as single-sum cash payment, you may apply to the Plan Administrator through the Human Resources Department. The Plan Administrator has complete discretion to grant or deny your request. All forms of benefit are actuarially equivalent so that none of the benefit forms are more valuable.

9. PAYMENT

9.1 Summary of Retirement Notification

The following notification schedule has been developed to assume timely payments of benefits upon your retirement:

- 120 days before anticipated retirement, Intent to Retire Form (see Attachment 22.2) is given in writing by you to the Plan Administrator through Human Resources on your pending retirement.

- 45 days prior to the anticipated retirement date, the Plan Administrator will provide you with the Final Calculation of Retirement Benefits outlining options of taking a monthly amount for the rest of your life, a lump sum payment, or a combination of both (see Attachment 22.5).
- 30 days prior to the anticipated retirement, the employee must elect the form of benefit they choose to receive as outlined in Section 8 (see Attachment 22.6).
- The information included on the Final Calculation of Retirement Benefits is only good for the retirement date provided by the employee in writing. If a change is made in retirement dates then the notification process needs to be reinstate by the employee in accordance with this schedule.
- Retirement Benefits will begin on the first day of the month following the employee's retirement.
- In the event that less notice is given the payment for retirement benefits may be delayed. If an employee elects to take their retirement benefit in the form of an annuity, the retiree will retroactively receive any monthly payments due with their first check.
- If an employee requests a Final Calculation of Benefits for other than retiring, the cost for the actuary will be paid by the employee. Please note that employees receive an annual report from the actuary which includes an estimate of the annuity amount at normal retirement and a statement of balance of the money purchase account.

9.2 Time of Benefit; Application for Benefits

Your benefits will be paid on the first day of the month after normal, deferred or disability retirement or the month you select for the start of benefits after early retirement, provided that the notification deadlines are met as outlined in 9.1.

9.3 Notices

No later than 30 days before benefits are to start, the Plan Administrator will provide you with an explanation of the following:

- The available forms of benefit, and the effect of electing for

or against an annuity form of benefit

- The applicability of 20 percent mandatory withholding for federal tax to “eligible rollover distributions”, and your right to elect a direct transfer of an eligible rollover distribution to another qualified retirement plan or to an Individual Retirement Arrangement.
- You have the right to defer payment until your normal retirement date, if applicable.

9.4 Mandatory Benefit Starting Date

Your benefit payments must begin by the mandatory benefit starting date, which is the April 1 following the calendar year in which the later of the following events occurs:

- You reach age 70 ½
- You retire

9.5 Reemployment after Retirement

If you have retired and are receiving an annuity form of benefit and the City of Newport later rehires you as a qualified employee, you may elect to stop your benefit payments and accrue further benefits. If you elect this option, upon your later retirement, payment of the benefits that you accrued before your earlier retirement will continue as you elected upon that earlier retirement. You must complete a new application of benefits for the amounts accrued after your rehire. The amount of this benefit will be calculated as described in Section 5, 6 or 7.

If you do not elect this option or you are not receiving an annuity form of benefit and are rehired after retiring, your benefit payments will not stop and you will not accrue further benefits.

10. DEATH BENEFIT

10.1 Amount of Death Benefit

If you die before your benefits start, your beneficiary will receive a death benefit in a lump sum equal to the sum of the following:

- The balance of your Money Purchase accounts, **plus**
- The balance of your voluntary contribution account, **plus**

- The lump sum amount attributable to your defined benefit, which shall be the greatest of the following:
 1. 50 times the portion of your projected monthly normal retirement basic benefit in 5 above attributable to your defined benefit, calculated as though you had worked until normal retirement with no change in average monthly earnings.
 2. The actuarial present value of your accrued benefit at death attributable to your defined benefit.
 3. The amount of your death benefit as of September 30, 1993
- Please note that the Death Benefit is not subject to vesting requirements.

10.2 Designation of Beneficiary

At the time of enrollment for the Pension Plan, you are asked to name your beneficiary, who will receive the death benefit in 10.1, by filing a designation of beneficiary with the Plan Administrator through the Human Resources Department. You may change your beneficiary designation as you choose. If you do not name a death beneficiary, or if no named beneficiary is living at the time you die, your death benefit will be paid to the following, in order of priority:

- To your surviving spouse.
- To your surviving children in equal shares.
- To your surviving parents in equal shares.
- To your estate.

10.3 Death after Start of Benefits

The form and amount of any death benefit after your benefit starting date depends on the form of retirement benefit you select (see 8 above).

11. DISABILITY BENEFIT

If your employment terminates due to disability, you will be paid a lump sum benefit equal to the sum of the following:

- The balance of your Money Purchase accounts, **plus**

- The balance of your voluntary contribution account, **plus**
- The lump sum amount attributable to your defined benefit, which shall be the greatest of the following:
 1. 50 times the portion of your projected monthly normal retirement basic benefit in 5 above attributable to your defined benefit, calculated as though you had worked until normal retirement with no change in average monthly earnings.
 2. The actuarial present value of you accrued benefit at death attributable to your defined benefit.
 3. The amount of your death benefit as of September 30, 1993
- Please note that the Disability Benefit is not subject to vesting requirements.

A “**disabled participant**” is one who as a result of illness or injury suffers from a condition of mind or body that permanently prevents full-time employment by the City of Newport. The Plan Administrator will determine whether the participant is eligible for benefits due to the existence of disability, and may rely on the advice of a medical examiner of its choosing in making the determination.

Disability benefits will be paid as soon as practicable after the determination of disability is made by the Plan Administrator unless payment of disability benefits from the Plan would be offset against other disability benefits. In that case the Plan Administrator may defer payment until age 65 and adjust the benefit actuarially for the later payment date. You may waive the right to disability benefits and elect to receive your benefit under the retirement provisions explained in sections 5, 6, or 7 or, if you not eligible for retirement as explained in section 13 below.

12. VESTING

A participant who terminates employment for any reason other than retirement, death or disability shall be governed by the following vesting schedule:

- Your **voluntary contribution account** is fully vested and not forfeitable at any time
- Your **Money Purchase accounts** vest as follows:

- If you were hired before October 1, 1993, your Money Purchase accounts are fully vested and not forfeitable at all times.
- If you were hired after September 30, 1993, your City of Newport Money Purchase account vests based on years of service in accordance with the schedule for the defined benefit (see below).
- Your **Defined Benefit** vest in accordance with the following rules
 - If you withdraw the Money Purchase accounts (see 13.3 below), all of your defined benefit will be forfeited.
 - If you do not withdraw the Money Purchase accounts, your defined benefit will vest based your years of service, as follow:

<u>Years of Service</u>	<u>Vesting Percentage</u>
Less than 3	0%
3	50%
4	62%
5	75%
6	87.5%
7 or more	100%

13. BENEFITS UPON TERMINATION OF EMPLOYMENT

13.1 Amount of Benefit; Time of Payment

If your employment terminates for any reason other than retirement, disability or death, you are entitled to only that part of your benefit that is vested. Any unvested portion of your accounts will be forfeited.

Payment of your vested benefits will normally begin at age 62. However, if you have at least 10 years of service, you may apply to have payment of your vested benefits start any time after you reach age 55.

The amount of your monthly benefit will be calculated as a normal retirement benefit based on your benefit service and average monthly earnings at the time of your termination. If you start receiving benefits before age 62, they will be reduced the same as on early retirement (see section 6 above).

13.2 Withdrawal of Money Purchase Account

You may also elect to withdraw the vested portion of your Money Purchase accounts in a lump sum within 60 days after termination of your employment. If you elect to do so, the unvested portion of your Money Purchase accounts will be forfeited and **ALL** of your defined benefit will be forfeited. If you withdraw your Money Purchase accounts and are later rehired, your service before the rehire will also be forfeited and you will start over again on the vesting schedule. ***Since the penalties for withdrawal of Money Purchase accounts are so severe, the City of Newport urges you to consider them very carefully before electing to withdraw your Money Purchase account.***

14. ASSIGNMENT OF BENEFITS; QUALIFIED DOMESTIC RELATIONS ORDER

The Plan is for your personal benefit. Your interest under the Plan generally may not be assigned, seized, transferred or claimed by creditors. However, you benefits may be subject to seizure if you declare bankruptcy and they can be assigned to someone else by means of a qualified domestic relations order.

A domestic relations order is any court order relating to child support, alimony or marital property. To be qualified, an order must meet standards imposed by federal law. The Committee has procedures for determining if a domestic relations order is qualified. It will notify you if it receives an order relating to your account and also when it determines whether the order is qualified. Until it makes this determination, none of your account affected by the order may be distributed.

15. CLAIMS PROCEDURE

Any questions about the plan should be directed to the Human Resources Department. Most claims and questions will be resolved informally. If you wish to present a formal claim, put it in writing to the Plan Administration through the Human Resources Department. The Plan Administrator will respond as soon as practicable. If your claim is denied, the Plan Administrator will give you the reasons, refer you to the relevant Plan provisions, will describe any additional information that is needed and will explain how to have the claim reviewed.

If you make a claim and it is denied or you do not get an answer within 60 days, you may ask for review by written notice to the Retirement Trust through the Human Resources Department. The Retirement Trust will review the matter and may grant you a hearing, but is not required to. You may be represented in connection with the review, examine pertinent documents and submit issues and comments in writing. The decision on review will be made

within 60 days in most cases. If there is a hearing or other special reason for delay, you will be so notified and the time limit will be 120 days. The Retirement Trusts decision will be final.

16. CIRCUMSTANCES CAUSING INELIGIBILITY OR LOSS OF BENEFITS

Your right to participate in the Plan or receive benefits will be affected if any of the following applies to you:

- You are not a qualified employee (see section 1.2).
- You have fewer than 3 Years of Service upon a termination of employment and are rehired (see section 2.3).
- You withdraw the vested portion of your Money Purchase account following a termination of employment (see section 13.3)
- Your benefits are less than 100% vested (see section 12)
- You are subject to a qualified domestic relations order or declare bankruptcy (see section 14).

17. PLAN NOT INSURED BY PENSION BENEFIT GUARANTY CORPORATION

Benefits under this Plan are not insured by the Pension Benefit Guaranty Corporation if the Plan terminates.

18. PLAN TERMINATION

18.1 Vesting on Plan Termination

If the Plan is wholly or partly terminated, the benefits of all affected participants accrued and funded as of the date of termination shall be fully vested and not forfeitable.

18.2 Distribution of Plan Assets on Termination

If the Plan is terminated, your benefits will either be retained in the Trust or paid out when you retire or distributed to you sooner. In either event, the City may seek a ruling from the IRS that termination of the Plan does not adversely affect the tax-qualified status of the Trust.

18.3 Allocation of Assets on Plan Termination

If the plan is terminated, assets shall be allocated as follows:

- The portion of the plan assets attributable to voluntary contributions and Money Purchase contributions and any rollovers or transfers shall be allocated in proportion to account balances.
- The portion of the plan assets remaining after the allocation described above shall be allocated to provide defined benefits. If the funds are insufficient to pay all of the benefits, the amount available shall be allocated among the participants in proportion to their interests.

19. PLAN ADMINISTRATION

The Finance Director is designated as the Plan Administrator and is responsible for all aspects of the Plan except holding and investing the trust assets from which benefits are paid. The Plan Administrator keeps the accounts and provides information for you when required by law or upon your request. If you have any questions about the Plan or your interest under it, you should contact the Finance Director through the Human Resources Department.

20. INTERNAL REVENUE SERVICE APPROVAL

The Plan and Trust are submitted to the Internal Revenue Service for review to assure that the Plan qualifies under the Internal Revenue Code and the Trust is tax-exempt.

21. PLAN INFORMATION

Plan Name and Type

City of Newport Employees' Retirement Plan
Plan Year end: June 30

Plan Sponsor and Adopting Employer

City of Newport
169 SW Coast Highway
Newport, OR 97365
Employer ID No. 93-6002222

Plan Administrator

Finance Director
City of Newport Employees' Retirement Plan
169 SW Coast Highway
Newport, OR 97365
Telephone: 541 574-061

Retirement Trust (As of October 2015)

Chair	Tim Johnson
Trustee	Mike Schulz
Trustee	John Baker
Trustee	Rebecca Cohen
Trustee	Rick Wright

Trust Manager

West Coast Trust Company, Inc.
1000 SW Broadway, Suite 1100
Portland, OR 97205

Actuarial Services for Defined Retirement Benefits

AKT Retirement Plan Services
7676 Hazard Center, Suite 1300
San Diego, CA 92108

Actuarial Services for the Retirement Money Purchase Accounts

The Standard Services
1100 SW 6th Ave.
Portland, OR 97204

22. Attachments



CITY OF NEWPORT BENEFICIARY DESIGNATION

169 SW Coast Hwy, Newport, Oregon 97365

541 574-0604

Important: Please read instructions carefully before completing this form. Return form to **City of Newport, Attention: Human Resources, 169 SW Coast Hwy, Newport, OR 97365**

Employee/Retiree Information

Name (Last, First, Middle)	Social Security Number		
Mailing Address	City	State	Zip Code
Daytime Phone Number	E-Mail Address		

Beneficiary Designation* -- You must designate at least one primary beneficiary, do not designate yourself. If you make a mistake, initial next to your actual designation.

Designation	Beneficiary Information	Relationship	
Must check one	Full Name of Person, Estate, or Trust		Mailing Address
Primary			
Contingent	Social Security Number	Date of Birth	Percentage City State Zip Code
Must check one	Full Name of Person, Estate, or Trust		Mailing Address
Primary			
Contingent	Social Security Number	Date of Birth	Percentage City State Zip Code
Must check one	Full Name of Person, Estate, or Trust		Mailing Address
Primary			
Contingent	Social Security Number	Date of Birth	Percentage City State Zip Code

Designation	Beneficiary Information		Relationship			
Must check one	Full Name of Person, Estate, or Trust		Mailing Address			
Primary						
Contingent	Social Security Number	Date of Birth	Percentage	City	State	Zip Code
Must check one	Full Name of Person, Estate, or Trust		Mailing Address			
Primary						
Contingent	Social Security Number	Date of Birth	Percentage	City	State	Zip Code
Must check one	Full Name of Person, Estate, or Trust		Mailing Address			
Primary						
Contingent	Social Security Number	Date of Birth	Percentage	City	State	Zip Code

*** If you are naming more than six beneficiaries please attach a separate sheet that is signed.**

Signature Required – MUST be completed in full.

I, _____ (print name) direct that any monies related to my account, unless otherwise specified or required by law, will be paid in equal shares to any primary beneficiaries named on this form who survive me, but if none survive, such monies will be paid in equal shares to any contingent beneficiaries named on this form who survive me. I hereby certify that I have read and understand the instructions to this form and that all of the information I have entered on this form is true and complete. Submission of this document revokes any prior designations that I have made.

Signature _____ Date _____

Witness Required – MUST be completed by a person, other than a beneficiary, who witnesses the employee’s/retiree’s signature.

I, _____ (print witness name – **cannot be a beneficiary**) witness that the above named employee/retiree signed this document.

Signature _____ Date _____

Mailing Address _____ City _____ State _____ Zip Code _____

INSTRUCTIONS AND GENERAL INFORMATION FOR EMPLOYEE/RETIREE BENEFICIARY DESIGNATION

Use this form to designate or change the person, estate, trust or organization to be paid any money due from your retirement account at the time of your death.

Please print in dark ink, make a copy of the completed form for your records, and return it to **City of Newport, Attn: Human Resources, 169 SW Coast Highway, Newport, OR 97365.**

Before you complete this form, please note: This is one of the most important documents associated with your retirement account. Read and complete all sections carefully. If you have any questions, please call Human Resources at 541 574-0604.

When filling out your beneficiary designations(s): If you name a person, always show that individual's legal given name. For example: MARY K DOE, not Mrs. Robert Doe.

Signing the form: Another person (other than your beneficiary) must witness your signature on this document and complete the witness section.

An attorney-in-fact cannot sign for you unless the Power of Attorney documents specifically grant the power to designate a beneficiary.

Submitting the form: Your beneficiary designation is not valid until it is fully complete, signed and received by the City of Newport, Human Resources Department.



CITY OF NEWPORT
INTENT TO RETIRE

Present Employee

Past Employee

Employee's Name:

Address:

Telephone No:

Soc. Sec. No.:

Hire Date

Date Terminated:

Retirement Date:

Birth date:

Married

Not Married

Spouse's Name:

Spouse's SS No.:

Spouse's Birth Date:

Please determine the amount of benefit due to me under the terms of the City of Newport Retirement Plan.

X

Signature of Employee

Date

Mail to: City of Newport
Attn: Human Resources
169 SW Coast Hwy
Newport, OR 97365

City of Newport
City of Newport Employees' Retirement Plan
From 7/01/2014 to 6/30/2015

Jane Doe
*****-**-1234**

This statement is based on the data provided to the plan administrator. Please refer any questions that you may have regarding this statement to the plan administrator.

<u>Participant Accounts</u>	<u>Beginning Balance</u>	<u>Contributions</u>	<u>Forfeitures</u>	<u>CSV/ Gains /Losses</u>	<u>Loan Pmts./ Transfers</u>	<u>Premiums/ Loan Distr./ Distributions</u>	<u>Ending Balance</u>	<u>Vested Balance</u>
Employer Contribution								
Money Purchase	\$6,779.03	\$2,223.31	\$0.00	\$125.09	\$0.00	\$0.00	\$9,127.43	\$5,659.01
							Vested %	62
Total Employer Contribution	\$6,779.03	\$2,223.31	\$0.00	\$125.09	\$0.00	\$0.00	\$9,127.43	\$5,659.01
<hr/>								
Total Account Balances	\$6,779.03	\$2,223.31	\$0.00	\$125.09	\$0.00	\$0.00	\$9,127.43	\$5,659.01

You or your beneficiary will receive the total account balance shown on this statement in the event of your death or disability.
You will receive the vested account balance shown on this statement in the event of your termination of employment for reasons other than disability or retirement.

RETIREMENT PLAN STATEMENT

CITY OF NEWPORT
169 SW COAST HWY
NEWPORT OR 97365

Valuation Date:

**CITY OF NEWPORT DEFINED
BENEFIT PENSION PLAN
Contract #804429**

Your Personal Benefit Snapshot

About You

Date of Birth
Date of Hire
Normal Retirement Date
Estimated Early (Late) Retirement Date
Benefit Service
Vesting Service

About Your Plan Benefits *

Monthly Accrued Benefit	\$	
Vested Percentage		%
Monthly Vested Accrued Benefit	\$	
Projected Monthly Benefit	\$	

Glossary

Retirement Dates – Normal retirement date is the first of the month following attainment of age 62. Estimated Early (Late) Retirement date is the later of the current valuation date or the definition in the plan document for early retirement, and the assumption that you continue to work and earn service credits to retirement.

Benefit Service – This is the service that is used to calculate the amount of your benefits based on your service as a Qualified Employee and the plan's benefit formula.

Vesting Service – This is the service that is used to calculate your Vested Percentage based on your plan's design.

Monthly Accrued Benefit – This is the monthly benefit that you have earned to date under the plan, payable at your normal retirement age. Your plan benefits are calculated based on your service and salary history with the company. Along with your Vested Percentage, your Monthly Accrued Benefit tells you how much you would be entitled to receive as an annuity at normal retirement age if you left employment now. The amount estimated is for the normal form of benefit, a Straight Life annuity.

Vested Percentage – Vesting means owning. Your Vested Percentage tells you how much of the Monthly Accrued Benefit is yours right now. As you continue to work and earn vesting service, your Vesting Percentage will increase to 100%. To find out more about the vesting provisions of your plan, please review the Summary Plan Description.

Monthly Vested Accrued Benefit – The benefit you would be entitled to receive at normal retirement age if you were to leave employment right now. It is equal to your Monthly Accrued Benefit multiplied by your Vested Percentage.

Projected Monthly Benefit – The estimated benefit you would receive under this plan if you continued to work until your Normal Retirement Date at your current rate of pay.

Death Benefit – If you die before commencing benefits, the plan provides survivor benefits to your beneficiary, the terms of which are described in the Summary Plan Description.

* To learn more about how your plan operates, review the Summary Plan Description for specific details.

Financial Security and You

How will my Defined Benefit Plan contribute to my financial security during retirement?

To maintain your current lifestyle after you stop working full time you'll most likely need to replace 70% to 90% of your annual pre-retirement working income. Depending on your dreams for retirement, you may need to replace 100% - or more!

The table below shows how much of your current pay would be replaced by your accrued benefit, how much more we expect you to accrue under the plan, and the amount of income you will still need to provide from other sources (such as a 401(k), IRA, or other savings).

The following are estimated replacement ratios and are intended to help you plan for your future. These are not guarantees and are subject to change.

Table of Benefit Accruals

15%	Accrued Benefit
0%	Future Accruals
72%	Estimated Social Security
13%	Income Needed to Replace 100% of Pay

Important Information

Please review the data on this statement. If you believe any of this information is incorrect, please contact your plan administrator within 90 days of receipt of this statement.

The benefits estimated here are based upon information currently available and current plan provisions. Actual benefits will be based upon your actual employment history and plan provisions in effect at the time of your retirement or employment termination. Inquiries regarding your rights or benefits under this plan should be directed to Linda Brown.

Notice Regarding Suspension of Benefits

If you have reached or are close to reaching normal retirement age, please read the following. You may choose to remain actively employed after your Normal Retirement Date. If you postpone your retirement, you may not receive your retirement benefit until you terminate employment.

The plan may provide that you continue to accrue benefits under the terms of the plan if you choose to work beyond Normal Retirement Date. Please review the Summary Plan Description for details. This will result in an increase in your monthly benefit payments when you begin receiving benefits.

**CITY OF NEWPORT
DEFINED BENEFIT PLAN**

RETIREMENT BENEFIT - FINAL CALCULATION
THE FOLLOWING CALCULATIONS SUBJECT TO CHANGE BASED UPON PLAN PROVISIONS

DOE, JOHN J

Participates Data

Date of Birth	1/2/1951	Date of Normal Retirement	1/1/2016
Date of Employment	6/1/1994	Date of Late Retirement	1/1/2016
Date of Termination	1/1/2015	Assumed Disability Date	1/1/2016
Spouse's Date of Birth	1/21/1951	Benefit Service	21.500 Years
		Vesting Service	21.500 Years

Eligible Compensation Used Calculate Benefits:

Plan Year	Eligible Compensation	Number of Months
2014	48,659.19	12
2013	45,464.57	12
2012	42,691.75	12

Average Monthly Compensation Used to Determine Benefits: 3,800.43

Employee Contribution Account(s)

	Money Purchase
Beginning Balance as of July 1, 2015	93,102.57
Contributions Received after July 1, 2015	2,008.50
Ending Balance as of December 1, 2015	<u>95,111.07</u>
After Tax Contributions	16,600.00

Money purchase contributions are in addition to any employer provided benefits. You may elect to receive your Money purchase contributions in any of the optional forms allowed by the plan.

This calculation is based on the Participant Data outlined above. If there is an error in the Participant Data section, the calculation of your final retirement amount may be affected. Please contact your plan administrator immediately regarding any corrections.

Your Retirement Benefit Before Any Adjustments

Pension Credit Accrued at Termination and Payable at Late Retirement Age (65):	\$ 963.13
Vested Percentage	100%
Vested Pension Credit Accrued at Termination and Payable at Late Retirement Age (65):	\$ 963.13

Assumptions Used in Preparing This Calculation

Assumed Rate of Interest Used for Conversion to Optional Forms and Relative Values	6.00%
Actuarial Table Used for Optional Forms and Relative Values	UP-84 - 5 year set back
Normal Form of Benefit Adjustment for Late Retirement	Straight Life
	None

Please note the following with respect to the relative value of your benefit options:

The Lump Sum Payment is approximately 100% as valuable as the Straight Life annuity. All other benefit options are approximately equal in value.

Benefit Options

The following benefit options have been adjusted to your Assumed Distribution Date, January 1, 2016.

You may elect to receive your benefits in any of the available forms shown below. The amounts shown are based on available employment data and the definition of Actuarial Value as stated in the Plan Document. The normal form of benefit payable is a Straight Life annuity.

Straight Life Annuity Option

Under this annuity form, you will receive a monthly payment for as long as you live. Payments will stop upon your death.

	Your Benefit Payable for Life
Straight Life	963.13
Straight Life from Money Purchase Contributions	<u>748.02</u>
Total Straight Life Annuity Available	1,711.15

Joint and Contingent Survivor Annuity Options

Under this annuity form, you will receive a monthly payment for as long as you live in the amount you choose from below. Upon your death, your beneficiary will continue to receive the survivor annuity chosen in an amount based upon the percentage of coverage you elect for as long as your beneficiary lives. Please note that whether or not you are married, the plan may allow you to choose a beneficiary other than a spouse.

	Your Benefit Payable for Life	Upon your death, Beneficiary's Benefit Payable for Life
Joint & 100% Contingent Survivor	823.34	823.34
Joint & 100% Contingent Survivor from Money Purchase Contributions	<u>639.45</u>	<u>639.45</u>
Total Joint & 100% Contingent Survivor Annuity Available	1,462.79	1,462.79
Joint & 50% Contingent Survivor	887.76	443.88
Joint & 50% Contingent Survivor from Money Purchase Contributions	<u>689.48</u>	<u>344.74</u>
Total Joint & 50% Contingent Survivor Annuity Available	1,577.24	788.62

Lump Sum Payment Options

The total value of your benefits if paid to you in a lump sum will be \$217,574.02 as of January 1, 2016.

However, because Income taxes can take a big bite out of your distribution, how you manage these funds will have a significant Impact on how much you have left to use for your retirement after paying your taxes. The following illustration shows how income taxes could impact the ultimate distribution. We encourage you to see your tax advisor for more information about how you can best manage your distribution to reach your retirement goals.

	Lump Sum not Rolled Over	Direct Roll Over of Lump Sum
Present Value of Vested Pension	122,462.95	122,462.95
Money Purchase Contribution Account Balance	95,111.07	95,111.07
Less non-taxable portion	(16,600.00)	(16,600.00)
Taxable Amount	200,974.02	200,974.02
Required 20% withholding for IRS	(40,194.80)	0.00
Early Withdrawal Tax Penalty ³	0.00	0.00
Estimated additional Federal Income taxes due the following April 15th	(16,077.92)	0.00
Amount after Taxes	144,701.30	200,974.02
Recovery of non-taxable portion ⁴	16,600.00	16,600.00
Available to Invest after Taxes	161,301.30	217,574.02
Current Potential Tax ⁵ (not including State taxes, if any)	56,272.72	0.00

Notes for Lump Sum Payment Options

See the enclosed "Special Tax Notice Regarding Plan Payments" for full details.

² The lump sum amount illustrated above is very sensitive to changes in interest rates. Hence, the amount above could increase or DECREASE based on the interest rate in effect at the time you take your distribution.

^J Generally, there is an additional 10% tax penalty for withdrawals before age 59-1/2. There are exceptions, however. Please see your tax advisor for more information.

⁴ This illustration assumes that your distribution will be taxed at the 28% Federal Income tax bracket. This rate was chosen for *illustrative purposes only* — your actual marginal tax may be different. See your tax advisor for full details. "Estimated additional Federal income taxes" reflects the amount above the 20% already withheld — an additional 8% — which would have been paid at the time you file your Individual income taxes if you are in the 28% bracket.

⁵ The non-taxable portion represents after tax contributions to your account. Current law allows roll over of after tax contributions to a traditional IRA or to a qualified retirement plan in a direct rollover if the IRA or plan agrees to accept such rollover.

Summary of Participant Benefit Options
For
Doe, John J

The following schematic summarizes all the various benefit options that may be available to you under the terms of the plan. Where "N/A" appears, the benefit option is not allowed. Please refer to the Summary Plan Description, the Plan Document or the plan administrator, Linda Brown, if you have any questions.

The following options were calculated assuming a distribution date of January 1, 2016 and are limited by the terms of the annuity. Please refer to the annuity descriptions above.

	Your Benefit	Your Spouse or Beneficiary Benefit
Straight Life	963.13	N/A
Straight Life from Money Purchase Contributions	<u>748.02</u>	N/A
Total Straight Life Annuity Available	1,711.15	
Joint & 100% Contingent Survivor	823.34	823.34
Joint & 100% Contingent Survivor from Money Purchase Contributions	<u>639.45</u>	<u>639.45</u>
Total Joint & 100% Contingent Survivor Annuity Available	1,462.79	1,462.79
Joint & 50% Contingent Survivor	887.76	443.88
Joint & 50% Contingent Survivor from Money Purchase Contributions	<u>689.48</u>	<u>344.74</u>
Total Joint & 50% Contingent Survivor Annuity Available	1,577.24	788.62
Total Lump Sum Distribution	217,574.02	N/A

Please note the following with respect to the relative value of your benefit options:

The Lump Sum Payment is approximately 100% as valuable as the Straight Life annuity. All other benefit options are approximately equal in value.



CITY OF NEWPORT EMPLOYEES' RETIREMENT PLAN
APPLICATION FOR BENEFITS

I acknowledge that I have received a W-4P Federal Withholding Certificate for Pension or Annuity Payments ex the tax withholding and rollover option available for my distribution.

I understand that if my account exceeds \$3,500, my benefits may remain in the Plan until I request payment or reach age 65. I elect the options I have marked below.

1. Choose one of the following (please see the Memorandum about Plan Distributions for the explanation of each. 1. A., 1. B., 1.C., and I. D. will not result in eligible rollover distributions for purposes of section 3.

- A. Life annuity (basic benefit)
- B. 50% contingent annuity
- C. 100% contingent annuity
- D. Other form of benefit as pre-approved by Retirement board:

2. Do not complete this section if you have chosen the forms in 1.A, 1.B, 1.C, or 1.D. If you would like to receive a lump sum distribution, you must complete 2.A, 2.B. or 2.C if they are applicable.

A. Roll over my entire distribution(s). If you choose this option you must complete 2.B. or 2C. and may not complete section 3.

B. IRA recipient of direct rollover
Name and address of IRA custodian or trustee (bank or other financial institution):

C. Qualified retirement plan recipient of direct rollover

D. Pay my distribution(s) directly to me. If you choose this option skip to section 3.

- 3. Election about Oregon withholding: If you have elected 1.A., 1.B., 1.C., or 1.D., automatic Oregon withholding of 8 percent will apply to your monthly payments when they are paid to you unless you complete this section .
 - [] A. I elect not to have any Oregon tax withheld .
 - [] B. I elect to have \$ _____ Oregon tax withheld in addition to withholding at the automatic rates.

Please complete, sign and date this form and return it to the Finance Department
- Attn: Linda Brown, City of Newport, 169 SW Coast Highway, Newport, Oregon
97365

Participant's signature

Date Signed