

# Designing the New Plan...



## MASTER DEFINED CONTRIBUTION PLAN: JOINDER AGREEMENT OPTIONS

The following is an *outline* of the OkMRF Defined Contribution Plan Joinder Agreement, the portion of the document which designates the specific plan design per the options available in the OkMRF prototype plan (standard document). The items will need to be specified in order to establish the plan.

### 1. Dates

The Effective Date of this Joinder Agreement shall be \_\_\_\_\_

### 2. Employee

Employee shall mean:

- Regular full-time employee
- All employees (includes part-time, seasonal or temporary)
- Any person who, on or after the Effective Date holds the position of:
  - City Manager
  - Assistant City Manager
  - Chief of Police
  - Fire Chief
  - Department Head or Department Manager
  - Finance Director or Chief Financial Officer
  - General Counsel or Municipal Attorney
  - Municipal Judge
  - \_\_\_\_\_(specify position)

Employee shall not mean:

- Any person who is currently accruing benefits under other state or local retirement system
- Any person \_\_\_\_\_
- Any person who, on or after the Effective Date holds the position of:
  - City Manager
  - Assistant City Manager
  - Chief of Police
  - Fire Chief
  - Department Head or Department Manager
  - Finance Director or Chief Financial Officer
  - General Counsel or Municipal Attorney
  - Municipal Judge
  - \_\_\_\_\_(specify position)

### 3. Eligibility

Employees must participate in the Plan: (Select only one)

- \_\_\_\_ months (any number of months up to twelve) after employment
- On the first day employment

**4. Definition of Compensation.**

Compensation shall exclude the item(s) listed below:

- No exclusions
- Overtime pay
- Bonuses
- Commissions
- Longevity Pay
- Severance pay
- Fringe benefits, expense reimbursements, deferred compensation and welfare benefits
- Accrued vacation or sick leave paid upon termination of employment and moving expenses
- Other: \_\_\_\_\_

**5. Plan Design**

The Employer hereby elects the following Plan design:

Variable Option.

The Employer intends to make a contribution to the Plan for the benefit of the Participants for each Valuation Period. The contribution may be varied from year to year by the Employer. These contributions shall be allocated based on the option selected below:

- Option A: Based on Years of Service
- Option B: Based on Compensation
- Option C: Combination of Options A and B in the following ratios:  
\_\_\_\_\_ % for Option A, and \_\_\_\_\_ % for Option B.

Thrift Plan Option.

- An Employee shall contribute to the plan \_\_\_\_\_% to \_\_\_\_\_% of his Compensation ("Mandatory Contributions")
- The Employer shall contribute an amount equal to \_\_\_\_\_% of the total Mandatory Contributions contributed by Participants

Forfeitures attributable to Employer contributions under the Thrift Plan Option shall be used to reduce Employer contributions under such Option

Fixed Option.

- The Employer shall contribute to the Fund an amount equal to \_\_\_\_\_% of the total covered Compensation of all Participants

**6. Employee Contribution Options**

- Pick-up Option. Mandatory tax-deferred employee contribution that is picked up out of their pay of \_\_\_\_\_% of each Participant's Compensation (through payroll deduction and Participant can't elect to opt out)
- Voluntary Nondeductible Contributions by Participants shall be allowed
- Participants shall not contribute to the Plan

**7. Self-Directed Investments**

- Are permitted
- Are not permitted

**8. Allocation of Forfeitures Available**

Forfeitures of Employer contributions only attributable to Fixed or Variable Option

- Add to Employer contribution
- Reduce the Employer contribution

**9. Service Credit while an Employee is on Worker’s Compensation**

- Shall be credited with Service for such period for purposes of vesting only and not for purposes of allocations of Employer contributions
- Shall not be credited with Service

**10. Vesting**

**Option A**

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
less than 1	0%	100%
at least 1 but less than 2	10%	90%
at least 2 but less than 3	20%	80%
at least 3 but less than 4	30%	70%
at least 4 but less than 5	40%	60%
at least 5 but less than 6	50%	50%
at least 6 but less than 7	60%	40%
at least 7 but less than 8	70%	30%
at least 8 but less than 9	80%	20%
at least 9 but less than 10	90%	10%
10 or more	100%	0%

**Option B**

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
Less than 3	0%	100%
at least 3 but less than 4	20%	80%
at least 4 but less than 5	40%	60%
at least 5 but less than 6	60%	40%
at least 6 but less than 7	80%	20%
7 or more	100%	0%

**Option C**

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
less than 5	0%	100%
at least 5 but less than 6	50%	50%
at least 6 but less than 7	60%	40%
at least 7 but less than 8	70%	30%
at least 8 but less than 9	80%	20%
at least 9 but less than 10	90%	10%
10 or more	100%	0%

**Option D**

<u>Years of Service</u>	<u>Vested Percentage</u>	<u>Forfeited Percentage</u>
Immediate 100% Vesting	100%	0%

**Option E**  
(Other design)

**11. Participant Loans**

- Participant loans shall be offered
- Participant loans shall not be offered

**12. Social Security Participation**

- The employer currently participates
- The employer currently does NOT participate

**13. Valuation Date**

- Daily