

**OKLAHOMA MUNICIPAL RETIREMENT FUND
MASTER DEFINED BENEFIT PLAN
JOINDER AGREEMENT**

_____ [a municipality chartered, incorporated or formed under the laws of Oklahoma], a city, town, agency, instrumentality, or public trust located in the State of Oklahoma, with its principal office at _____, Oklahoma, hereby establishes a Defined Benefit Plan to be known as **City/Town of _____ Plan** (the “Plan”) in the form of The Oklahoma Municipal Retirement Fund Master Defined Benefit Plan.

Except as otherwise provided herein, the definitions in Article II of the Plan apply.

1. Dates.

- This instrument is a new Plan effective _____ (the “Effective Date”) [such date may not be earlier than the first day of the Plan Year in which it is executed].
- This instrument is an amendment, restatement and continuation of the Previous Plan, which was originally _____. The effective date of this Joinder Agreement is _____ (the “Effective Date”) [such date may not be prior to the the first day of the Plan Year of the date of adoption], except as otherwise stated in the Plan and the Joinder Agreement.

2. Employee.

The word “Employee” shall mean:

- Any person other than a Leased Employee who, on or after the Effective Date, is considered to be a regular full-time employee in accordance with the Employer’s standard personnel policies and practices, and is receiving remuneration for such services rendered to the Employer (including any elected official and any appointed officer or employee of any department of the Employer, whether governmental or proprietary in nature), including persons on Authorized Leave of Absence. Employees shall not include independent contractors or volunteer firefighters. Elected members of the City Council shall not be considered to be Employees solely by reason of their holding such office.
- Any person other than a Leased Employee who, on or after the Effective Date, is considered to be a regular employee in accordance with the Employer’s standard personnel policies and practices (including part-time, seasonal and temporary employees), and is receiving remuneration for such services rendered to the Employer (including any elected official and any appointed officer or employee of any department of the Employer, whether governmental or proprietary in nature), including persons on Authorized Leave of Absence. Employees shall not include independent contractors.

Elected members of the City Council shall not be considered to be Employees solely by reason of their holding such office.

- Any person who, on or after the Effective Date, is an employee of the Employer and holds the position of:
 - City Manager, City or Town Administrator, President, Chief Executive Officer, General Manager, or District Manager, as applicable.
 - 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) [do not specify the name of the individual or a finite group unless the Plan otherwise provides continuing eligibility to a specified position or group]

The word "Employee" shall not include:

- Any person who is currently accruing benefits under any other state or local retirement system.
- Any person in the following position and who is covered under another retirement program of system approved by the City:
 - City Manager, City or Town Administrator, President, Chief Executive Officer, General Manager, or District Manager, as applicable.
 - 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) [do not specify the name of the individual or a finite group unless the Plan otherwise provides continuing eligibility to a specified position or group]

Any person who is _____ [must be definitely determinable].

3. Eligibility.

Eligible Employees shall commence participation in the Plan: (Select only one)

_____ month(s) (any number of months up to twelve consecutive) after the Employee's Employment Commencement Date or the date the individual meets the definition of Employee in Section 2 hereof, provided that the individual has met the definition of Employee in Section 2 hereof throughout such period.

On the Employee's Employment Commencement Date.

4. Definition of Compensation.

Compensation shall exclude the item(s) listed below:

No exclusions.

Overtime pay.

Bonuses.

Commissions.

Longevity pay.

Severance pay.

Accrued vacation or sick leave paid upon termination of employment and moving expenses.

Fringe benefits, expense reimbursements, deferred compensation and welfare benefits.

Other: _____ [must be definitely determinable]

5. Average Monthly Compensation.

The considered period for purposes of the definition of "Average Monthly Compensation" in Section 2.1 of the Plan is:

sixty (60) consecutive months.

thirty-six (36) consecutive months.

6. The Employer hereby elects the following Plan design:

- Mandatory Contribution Option. A Participant shall be required to contribute to the Plan for each Plan Year the percentage of his Compensation (“Mandatory Contributions”) required by the Plan in Section 8 of this Joinder Agreement. Mandatory Contributions shall be made by payroll deductions. A Participant shall authorize such deductions in writing on forms approved by, and filed with, the Committee.

If the Participant’s Mandatory Contributions pursuant to the preceding paragraph are to be taxed deferred:

- Pick-Up Option. The Employer hereby elects to have the provisions of Section 3.4 of the Plan apply. The Employer shall pick-up and pay the percentage of each Participant’s Compensation required to be contributed as of _____ [insert date] in lieu of contributions by the Participant. No Participant shall have the option of receiving the contributed amounts directly as Compensation.

- Non-Contributory Option. Participants shall not be required nor permitted to contribute to the Plan.

7. A. Payment Options. The Employer hereby elects the following minimum number of payments for employees eligible to receive benefits under Article IV of the Plan:

- Sixty (60) monthly payments.
 One hundred and twenty (120) monthly payments.

B. Plan Options. The Employer hereby elects the following plan designation and percentage used in calculating benefits under Section 5.1 of the Plan.

- Plan AAA – 3.00% with no maximum Years of Service
 Plan AAA – 3.00% recognizing a maximum of 22 Years of Service
 Plan AA - 2.625%
 Plan BB - 2.25%
 Plan CC - 1.875%
 Plan A - 1.50%
 Plan B - 1.125%
 Plan C - .75%

C. Normal Retirement Age. Normal retirement age shall be:

- Age 65 with completion of five (5) Years of Service
 The earlier of (i) and (ii) as follows:
(i) age 65 with completion of five (5) Years of Service
(ii) the later of (a) or (b), where (a) and (b) are as follows:

- (a) age 62
 age ____
- (b) the age at which the Participant has completed 30 Years of Service
 the age at which the Participant has completed ____ Years of Service.

Examples: An employee hired at age 20 who worked for 30 years and terminated at age 50 would be entitled to unreduced payments at age 62.

An employee hired at age 30 who worked for 25 years and terminated at age 55 would be entitled to unreduced payments at age 65.

Modified Rule of 80:

The earlier of (i) and (ii) as follows:

- (i) age 65 with completion of five (5) Years of Service
- (ii) the later of age 55 and the age at which the sum of the Participant's age in completed years and the participant's number of completed Years of Service in the Fund total 80 or greater. To be eligible, the Participant's age plus Years of Service in the Fund must be at least 80 prior to termination of employment (or, after termination of employment in the case of a Participant who transfers to another Municipality in accordance with Section 8.1(b) of the Plan).

- Examples:**
1. An employee hired at age 30 who worked for 25 years and terminated at age 55 would be entitled to unreduced payments immediately. Age 55 plus 25 years equals 80.
 2. An employee hired at age 20 who worked for 30 years and terminated at age 50 would be entitled to unreduced payments at age 55. The employee has age plus Years of Service points at age 50 but the minimum age for payment is 55.
 3. An employee hired at age 25 who worked for 25 years and terminated at age 50 would be entitled to unreduced payments at age 65. Age 50 plus 25 years is less than 80, so the Normal Retirement Age is 65.

[Note: The Normal Retirement Age of an employer's plan must comply with the final NRA regulations under Treas. Reg § 1.401(a)-1(b) applicable to governmental pension plans effective for employees hired during plan years beginning on or after the close of the first regular legislative session of the legislative body with the authority to amend the plan that begins on or after

the date that is three (3) months after the final regulations are published in the Federal Register.]

D. Vesting Options. The Employer hereby elects the following vesting option to determine an Employee's eligibility to receive retirement benefits.

- Ten Year Cliff Vesting Schedule
- Seven Year Cliff Vesting Schedule
- Five Year Cliff Vesting Schedule

E. Service Credit Prior to Effective Date. The Employer hereby elects to include the following limitation of service prior to the effective date.

- No limitation
 - For all purposes under the Plan
 - With respect to Service for purposes of vesting and attainment of Normal Retirement Age
- Service credit prior to the effective date shall not exceed ___ years
 - For all purposes under the Plan
 - With respect to Service for purposes of benefit accruals.

F. Service Buyback. The Employer hereby elects

- No service buyback pursuant to Section 10.11 of the Plan
- The service buyback provisions of Section 10.11 of the Plan.

G. Service for Worker's Compensation Period. If a Participant is on an Authorized Leave of Absence and is receiving worker's compensation during such Authorized Leave of Absence, such Participant

- shall be credited with Service for such period for purposes of vesting only and not for purposes of benefits, but no Employee contributions shall be made with respect to the Participant for such period.
- shall not be credited with Service for such period.

8. Contributions by Participants.

If Participants are required to contribute to the cost of providing benefits under this Plan, such contributions shall be based on the plan designation selected in Section 7B above and shall apply to pay periods commencing on and after _____.

- a. The Participant contribution formula in Section 3.3 of the Plan shall use the following percentage for the Plan Option selected in Section 7B of this Joinder Agreement:

- Plan AAA – 6.00%
- Plan AA - 5.25%
- Plan BB - 4.50%

Plan CC - 3.75%
Plan A – 3.00%
Plan B - 2.25%
Plan C - 1.50%

- b. The contribution formula shall be ____ [insert number between 0 and twelve] % of compensation.
- c. The contribution as annually determined each year shall be shared by the Participant and Employer as follows:

Employee portion ____ %
Employer portion ____ %

(Participant plus Employer percentages must total 100%.)

The contribution will be actuarially determined based on Plan assets and liabilities as of January 1 of each year as a percent of payroll, which will then be shared between the Employer and Participant as noted above. These contribution rates will be in effect from July 1 of that year until June 30 of the subsequent year.

9. Cost-of-Living Option.

For purposes of adjusting retiree and beneficiary pensions, the Employer hereby elects the following:

- No Cost-of-Living Option.
- Cost-of-Living Option. This election applies to Sections 5.1 (Normal Pension), 5.2 (Early Pension), 5.3 (Disability Pension), 5.4 (Deferred Vested Pension), 6.2 (Death Prior to Commencement of Pension), 6.3(a) and 6.3(b) (Death After Commencement of Pension), and 6.4 (Spouse's Pension) and provides annual benefit increases or decreases of the smaller of three percent (3%) or the percentage change in the Consumer Price Index.

The effective date of the Cost-Of-Living Option shall be _____, the original date that the Employer elected the Cost-Of-Living Option.

10. Retiree Plan Improvement Option.

Benefits payable to or on behalf of a former Employee under Article V, Article VI, or Article VII of the Plan, which are due or in the course of payment on or after the Effective Date of this Joinder Agreement, shall

- be increased according to the Plan Option elected herein. Such increased benefits shall be reflected in any periodic payments due or paid on or after the Effective Date of the Joinder Agreement. It is not intended for this change to

be retroactive and any periodic payments due prior to such date shall not be affected.

- be increased by _____ % effective _____. Such increased benefits shall be reflected in any periodic payments due or paid after such date. It is not intended for this change to be retroactive and any periodic payments due prior to such date shall not be affected.
- not be increased unless such former Employee is subject to Section 10.8 or 10.9 of the Plan, but shall continue to be paid under the terms of the Previous Plan.

11. Limitations on Optional Benefit Forms.

Section 7.2 of the Plan provides for Other Forms of Payment. The Employer hereby elects the following:

- Optional benefit forms under Section 7.2 of the Plan will not be permitted.
- Optional benefit forms under Section 7.2 of the Plan will be permitted, subject to the following limitation(s):

(The above election has no effect on the joint and survivor optional benefit forms under Section 7.1).

12. Defined Contribution Option.

- Not applicable.
- Participant shall be entitled to the benefit under this option as described in Sections 3.6 and 6.8 of the Oklahoma Municipal Retirement Fund Master Defined Benefit Plan, in addition to the benefit determined according to Section 7B. Each Participant shall be required to contribute to the Plan ___% of his or her Compensation. Those contributions shall be picked up and assumed by the Employer and paid to the Fund in lieu of contributions by the Participant. No Participant shall have the option of receiving the contributed amounts directly as Compensation.

This option shall be effective _____ [include the earlier of the date this Option was originally adopted in a Joinder Agreement or the date of adoption in the current Plan Year].

13. The Employer has consulted with and been advised by its attorney concerning the meaning of the provisions of the Plan and the effect of entry into the Plan.

IN WITNESS WHEREOF **City/Town of** _____ has caused its corporate seal to be affixed hereto and this instrument to be duly executed in its name and behalf by its duly authorized officers this _____ day of _____, _____.

City/Town of _____

ATTEST:

Secretary

(SEAL)

By _____

Title: _____

Sample

The foregoing Joinder Agreement is hereby approved by the Oklahoma Municipal Retirement Fund this ____ day of _____, ____.

OKLAHOMA MUNICIPAL RETIREMENT FUND

ATTEST:

By _____

Title: _____

Secretary

(SEAL)

Required Disclosures. This Joinder Agreement is to be used only with the Oklahoma Municipal Retirement Fund Master Defined Benefit Plan. Failure to properly complete this Joinder Agreement may result in failure of the Plan to qualify under Code Section 401(a). In accordance with IRS Rev. Proc. 2017-41, the Provider (as defined in Rev. Proc. 2017-41) who has obtained Internal Revenue Service approval of the Oklahoma Municipal Retirement Fund Master Defined Benefit Plan has authority under the Plan document to amend the Plan on behalf of adopting employers for certain changes in the Code, regulations, revenue rulings, other statements published by the Internal Revenue Service, including model, sample or other required good faith amendments. The Provider will inform adopting employers of any such amendments or of the discontinuance or abandonment of the Pre-Approved Plan document. The name, address and telephone number of the Provider are: McAfee & Taft A Professional Corporation, 8th Floor, Two Leadership Square, 211 N. Robinson, Oklahoma City, OK 73102, telephone (405) 552-2231. Any inquiries by the adopting employer regarding the adoption of the Plan, the meaning of Plan provisions, or the effect of the Internal Revenue Service advisory letter on the Pre-Approved Plan may be directed to the Provider.

Reliance on Sponsor Opinion Letter. The Provider has obtained from the IRS an Opinion Letter (as defined in Rev. Proc. 2017-41) specifying the form of this Joinder Agreement and the basic plan document satisfy, as of the date of the Opinion Letter, Code §401. An adopting Employer may rely on the Preapproved Plan Sponsor's IRS Opinion Letter only to the extent provided in Rev. Proc. 2017-41. The Employer may not rely on the Opinion Letter in certain other circumstances or with respect to certain qualification requirements, which are specified in the Opinion Letter and in Rev. Proc. 2017-41 or subsequent guidance. In order to have reliance in such circumstances or with respect to such qualification requirements, the Employer must apply for a determination letter to Employee Plans Determinations of the IRS.