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September 9, 2024

MEMORANDUM VIA E-MAIL

(csicard@smyrnaga.gov)

TO: Ms. Carol Sicard
Director of Human Resources and Risk Management

FROM: Ms. Gwin Hall
Senior Associate General Counsel

SUBJECT: **Action Required: Georgia Municipal Employees Benefit System
Defined Benefit Retirement Plan Restatement**

The City of Smyrna previously adopted the Georgia Municipal Employees Benefit System ("GMEBS") Defined Benefit Retirement Plan ("Plan"), which is comprised of the Basic Plan Document, Adoption Agreement, and General Addendum. The Plan is considered a "qualified plan" under the Internal Revenue Code, which is important to ensure the tax-exempt status of the trust fund.

To protect the Plan's tax-qualified status, GMEBS filed draft restated Plan documents, updated to include recent amendments and comply with changes in federal tax law, with the IRS on June 29, 2022. On August 31, 2023, the IRS issued a favorable opinion letter ("IRS opinion letter") for the restated Plan documents. The IRS opinion letter provides assurance to employers providing retirement benefits for their employees through the GMEBS Plan that GMEBS is maintaining a qualified pension benefit program that allows employees to accrue benefits tax-free until retirement benefits are distributed to them.

To ensure continued tax-qualified status for all GMEBS-member retirement plans, all participating employers must readopt their plans using the most recent IRS-approved document templates. To this end, we have completed the attached Adoption Agreement and General Addendum, which include the benefit and eligibility provisions that you currently have in place, for the city's approval. As a reminder, per our communication, we did not carry forward language in subsection 16(n) of the city's current General Addendum, incorporating certain provisions of the July 1, 1999 Retirement Plan, since they are inconsistent with current Plan administration. Additionally, per our communication, we revised subsection 16(o) of the General Addendum, which incorporates by reference provisions of the April 19, 1999 Trust Agreement, to clarify that Section VI, relating to adoption of a funding policy, no longer applies and that in the event of a conflict between the terms of the April 19, 1999 Trust Agreement and the terms of the GMEBS Retirement Plan documents, the GMEBS Retirement Plan documents will control.

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If the draft documents are acceptable, please have the designated representatives sign and date where indicated (Adoption Agreement, p. 43, and General Addendum, p. 21). Next, please scan and email the documents to Gina Gresham at rgresham@gacities.com no later than **November 25, 2024**. We will then countersign the documents and return electronic copies to you. Please note, GMEBS will not execute documents that have been edited by the city. If the documents require revisions, please let us know before adopting them.

The draft documents will take effect on the date of their approval by the city. **Please note that per O.C.G.A. § 47-5-40, the Adoption Agreement has been drafted in the form of an ordinance.**

Please note the General Addendum contains certain provisions (Section 16) which do not fit squarely within the standard GMEBS General Addendum format. Thus, it will be necessary to file the city's Plan with the IRS for a separate opinion letter. Following the city's approval of the enclosed restated Plan documents, we will work with GMEBS's tax counsel to prepare the IRS filing documents for the city's signature.

We have also attached a copy of the restated Basic Plan Document and Amendment 1, which do not need to be adopted by the city. Finally, we have included a summary of key amendments to the Plan relating to the restatement.

If you have any questions about the contents of this letter or require further information, please contact Gina Gresham.

Encl.

C: Mr. Scott A. Cochran, City Attorney, City of Smyrna (w/ encl.)
Ms. Marinetty Bienvenu, Director, Retirement Quality Assurance (w/o encl.)
Ms. Michelle Warner, Director, GMEBS Retirement and DC Programs (w/o encl.)
Mr. Kevin Jeselnik, Assistant General Counsel (w/o encl.)