

THE CITY OF ROCHESTER HILLS
GROUP PENSION PLAN AMENDMENT

Effective January 1, 2011 the City of Rochester Hills Group Pension Plan shall be amended as follows:

1. Section 1.9 shall be amended and restated in its entirety as follows:

Section 1.9 “Eligible Employee” means all members of the City Council, the Mayor, all fulltime employees who are employed for forty (40) hours or more per week on a regular basis, all paid-on-call firefighters and all members of those collective bargaining units which elect to participate in this Plan including AFSCME #2491, AFSCME #1917 and IAFF Local 3472.

Effective January 1, 2011 “Eligible Employee” shall also include all employees of the Older Persons’ Commission (hereinafter referred to as “OPC”) including the Executive Director, Department Heads or full-time hourly employees who are employed for forty (40) hours or more per week on a regular basis.

Employees classified by the Employer as independent contractors who are subsequently determined by the Internal Revenue Service to be Employees shall not be Eligible Employees.

2. Section 1.11 shall be amended and restated in its entirety as follows:

Section 1.11 “Employer” means City of Rochester Hills and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan. The Employer is a tax-exempt governmental organization, with principal offices in the State of Michigan.

Effective January 1, 2011, “Employer” shall include the Older Persons’ Commission strictly for purposes of allowing participation in this Plan by the Eligible Employees of the OPC and for purposes of making contributions to the Plan on behalf of its Eligible Employees. The OPC is not to be considered a Named Fiduciary under section 9.12 and shall have no authority to amend this Plan or to appoint/remove a Trustee.

3. Section 4.1(a) shall be amended by adding the following provisions:

- OPC Executive Director – Effective January 1, 2011, the OPC shall contribute 15% and the Employee shall contribute 3%.
- OPC Department Head – Effective January 1, 2011, the OPC shall contribute 10% and the Employee shall contribute 3%.
- OPC full-time hourly employee (40 hours or more per week on a regular basis) – Effective January 1, 2011, the OPC shall contribute 5% and the Employee shall contribute 3%.

4. Section 4.1(c) shall be amended in part as follows:

Employer Pick-Up Contributions. Effective December 25, 2006, there is hereby created an employer “pick-up” program whereby a percentage of non-union employee contributions to the Plan shall be paid by the CityEmployer in lieu of contributions by the employees. The terms and conditions of such contributions shall be in accordance with the Provisions of the Internal Revenue Code Section 414(h)(2) and related Treasury Regulations and applicable law.

Non-Union Employee Participant Contributions. Upon implementation, the CityEmployer shall, solely for the purpose of compliance with Section 414(h) of the Internal Revenue Code, pick up, for the purposes specified in that section, a percentage of non-union employee Participant contributions required by the Plan for all compensation earned by the Participant after implementation. The provisions of this section are mandatory, and the Participant shall have no option concerning the pick up or to receive the contributed amount directly instead of having them paid by the CityEmployer to the Plan. In no event may implementation occur other than at the beginning of a pay period.

Tax Treatment. Participant contributions picked up under the provisions of this section shall be treated as CityEmployer contributions for purposes of determining income tax obligations under the Internal Revenue Code; however, such picked up Participant contributions shall be included in the determination of the Participant’s gross annual salary for all other purposes under federal and state laws. Participants’ contributions picked up under this section shall continue to be designated as Participant contributions for all purposes of the Plan and shall be considered part of the Participant’s compensation for purposes of determining the amount of the Participant’s contribution.

5. Section 6.4(b) shall be amended by adding the following paragraph (6) as follows:

(6) The OPC Executive Director, Department Heads and full-time hourly employees employed by the OPC on January 1, 2011 shall be vested after completing 60 Months of Service with the OPC, including service with the OPC immediately prior to January 1, 2011.