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Oregon

PUBLIC
EMPLOYES
RETIREMENT
SYSTEM

RECEIVED 12/17/93 (from DRC)

December 15, 1993

Kathy Tri
Finance Director
CITY OF NEWBERG 2777
414 E First St
Newberg, OR 97132

Dear Kathy:

A copy of the Contract of Integration between the City of Newberg and the Public Employes Retirement Board is attached for the City's records.

Please contact either Steve Delaney or me if we can provide any additional information.

Sincerely,

Julia Huddleston

Julia Huddleston, Manager
Membership/Employer Relations Section

jep

c: Steven Delaney, Employer Coordinator

ltr.vir/jahnewb.1214

Barbara Roberts
Governor

STATE OF OREGON 1859

Headquarters
200 SW Market
Suite 700, Portland
Mailing Address:
PO Box 73
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(503) 229-5824

THIS CONTRACT is made between the PUBLIC EMPLOYES RETIREMENT BOARD (hereinafter referred to as the BOARD) on behalf of the PUBLIC EMPLOYES RETIREMENT SYSTEM (hereinafter referred to as PERS) and the CITY OF NEWBERG (hereinafter referred to as the CITY) for the purpose of integrating the City of Newberg Retirement Plan (hereinafter referred to as the City's PLAN), as maintained on behalf of the City's management and non-represented employes (hereinafter referred to as the EMPLOYES), into PERS pursuant to the provisions of ORS 237.031, and in lieu of a contract of integration under ORS 237.051.

This contract is effective June 21, 1993, but shall have no effect until:

(1) No less than two thirds of the current management employes who participate in the City's Plan have duly approved said integration pursuant to ORS 237.051.

(2) The contract has been approved by the City and by the Board.

THEREFORE, the parties agree that:

(1) Definitions for purposes of this contract:

(a) Eligible employe means any person employed by the City in a position that the City classifies as a department head; as a middle manager or in a technical position and who was an active participant in the City's Plan as of June 20, 1993.

(b) Current service is the number of years of membership as used for purposes of retirement allowance calculation in ORS 237.147. Current service, as used in this contract, will also be used to determine employee eligibility for benefits under ORS 237.011, 237.109, 237.111, 237.121, 237.171 and 237.248.

(2) Effective June 21, 1993, the City will begin participation in PERS for all eligible City employes. All City management employes shall be considered eligible for purposes of this contract if the employe participated in the previous plan as of June 20, 1993.

(3) Effective June 21, 1993, the City will begin participation in PERS for all City management employes who did not participate in the previous plan as of June 20, 1993, if the employe qualifies for PERS membership under ORS 237.011 as of June 21, 1993. If the employe has not qualified for PERS membership under ORS 237.011 as of June 21, 1993, PERS membership shall begin the first day of the calendar month that immediately follows such qualification.

(4) For eligible City employes who participated in the previous plan as of the effective date of this contract, "current service" under PERS shall include all years and months of service beginning from the date of enrollment in the City of Newberg Retirement Plan.

(5) Nothing in this contract nor any action taken under this contract shall reduce or impair the benefits which former employes of the City, who left City employment as management or as non-represented employes, and who are currently receiving benefits from the previous plan, would have received had the integration not been effected.

(6) Former employes receiving retirement benefits from the City of Newberg Retirement Plan shall continue to receive benefits from the previous plan.

Any benefits due to former employes from the City of Newberg Retirement Plan as of June 20, 1993 shall remain the liability of the previous plan.

(7) The PERS Board has caused a financial and actuarial investigation of this integration to be made, the cost of which has been borne by the City or by the previous plan. Such investigation determined the present actuarial value of projected benefits and of accrued benefits for former employes who have terminated with a vested interest, current assets, and any unfunded liability of the previous plan.

(8) The City will furnish PERS with payroll and personnel information to establish salary history, years of service, member account balances and other such information deemed to be necessary by the Board to integrate the previous plan into PERS, within 60 days after the date on which this contract is signed.

(9) The City agrees that it is solely responsible to inform all City management and non-represented employes participating in the previous plan of the transfer.

The City agrees that management and non-represented employes who are currently participating in the previous plan shall be notified of the proposed integration.

(10) The City will transfer cash assets from the previously established plan to its' account in PERS not later than December 31, 1993. The members' Accounts will be first credited from any transferred assets received by PERS. Account values to be credited as of June 20, 1993 are made a part of this contract in the Appendix A. The assets remaining after member accounts are fully credited will constitute the employer account. The City will transfer approximately $ 327,000 of assets (including interest income, at the rate credited by the System in its' most recent annual interest posting, pro-rated for the number of months by which the asset transfer antedates the effective date of this contract) in one or more payments.

(12) The initial employer contribution rate pursuant to ORS 237.081 will be 12.00 percent of the employes' total gross salary as defined in ORS 237.003 and 237.075. The City's employer contribution rate does reflect the transfer of assets as prescribed above. Assets to be transferred are approximately $ 327,000 as of June 20, 1993, based on the report certified by the prior plan administrator. In addition, the City will initially pick-up, pay or assume the employes' contributions of 6 percent of total gross salary as defined in ORS 237.003.

(13) The City agrees to eventually contract to provide Public Employes Retirement System membership to all of the employees of the City of Newberg who have not become members as of the effective date of this contract. The only exception to this extension of PERS coverage will be for those employes who have made an irrevocable election not to participate in PERS under Section (14) of this contract.

(14) Notwithstanding Section (2) of this contract, eligible employes who participated in the previous plan as of June 20, 1993, may irrevocably elect not to become PERS members, and to remain participants in the previous plan.

The election must be made in writing to the City, in the form prescribed by the City, within 60 days after the date on which this contract is signed. An eligible employe who fails to make an election will be considered to have elected to become a member of PERS.

(15) If an eligible employe irrevocably elects not to become a member of PERS under Section (14) of this contract, no benefit shall be paid from PERS for any period of employment with the City of Newberg as either a management or as a non-represented employe.

For the City of Newberg this 15th day of November 1993.

By Duane R. Cole
City Manager

For Oregon Public Employes Retirement System this 8th day of December, 1993.

By [signature]
Director, OREGON PUBLIC EMPLOYES RETIREMENT SYSTEM

By Glenn R. Harrison
Chairman, OREGON PUBLIC EMPLOYES RETIREMENT BOARD

Approved as to form: [signature]
Assistant Attorney General

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