

Group Insurance & Benefits 4.01



Health, Dental, & LTD Insurance			
<i>Scope:</i>	All permanent full-time non-bargaining employees	<i>Effective Date:</i>	05/17/18

General Policy
It is the policy of the City of Marion to provide group health insurance for city employees and their families.

Provisions:
<p>1) For fiscal year 2018-2019, the deductible shall be \$750 single/\$1,500 family with out-of-pocket maximum of \$1,500 single and \$3,000 family.</p> <p>Effective July 1, 2018, for non-tobacco using employees, the employee contribution rate will be \$70/month for single and \$140/month for family health coverage. For tobacco using employees, the employee contribution rate will be \$90/month for single and \$180/month for family health coverage.</p> <p>Employees who are currently receiving a premium reduction for having participated in the previous year's well-being program will continue to receive the incentive through December of the current year.</p> <p>Beginning January 1, 2019, all employees who participated in the City's 2018 well-being program and met the program requirements will receive a \$30/month reduction for single and family health coverage. An additional \$15/month reduction will be given to the employee on the family plan if the employee and eligible spouse participated in the 2018 well-being program.</p>
<p>2) All terms and conditions of insurance coverage provided, including eligibility for coverage, coverage period, and dates of premium payments necessary for such coverage shall be determined by the insurance carrier (company).</p>
<p>3) An employee shall be eligible for such coverage from the first day of the month following the date employment begins.</p>
<p>4) If an employee who is eligible for family coverage elects only single coverage, the employee will receive \$1,891 in additional wages. The \$1,891 will be paid in 12 monthly installments.</p>
<p>5) The City shall pay the complete cost of a long-term disability plan which provides 66 2/3% of gross income after a 90 day waiting period.</p>

Group Insurance & Benefits 4.02

Life Insurance			
<i>Scope:</i>	All permanent full-time non-bargaining employees	<i>Effective Date:</i>	11/20/08

General Policy

It is the policy of the City of Marion to provide noncontributory life insurance for all employees.

Provisions:

- 1) Effective July 1, 1989, all full-time permanent non-bargaining employees shall receive group term life insurance with a face value equal to one times annual base salary (rounded up to the nearest one thousand dollars) up to \$50,000.
- 2) Life insurance will be provided at no cost to the employees.
- 3) An employee shall be eligible for such coverage from the first day of the month following the date employment begins.

Group Insurance & Benefits 4.03



Tuition Reimbursement & Education Credit

<i>Scope:</i>	All permanent full-time non-bargaining employees	<i>Effective Date:</i>	04/06/98
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General Policy

It is the policy of the City of Marion to encourage employees to upgrade their skills and to further their education for the benefit of efficient city operations.

Provisions:

- 1) Non-bargaining employees may receive a 50% reimbursement for tuition and books for college-level course work. To be eligible for this reimbursement, the course work must be job-related and specifically approved in advance by the department head or city manager. Approval shall be contingent upon funding being available within the department's existing budget. To obtain reimbursement for tuition and books, the employee shall have the institution send a transcript at the employee's expense, to the city manager. The transcript must show that the course has been successfully completed and that the employee received a grade of "C" or better. An employee may be allowed to take courses on duty time, subject to the approval of the department head and city manager.
- 2) Non-bargaining employees are eligible for education credit of \$150 per month for attaining a Master's degree in a job-related field from accredited college or university. To qualify for this education credit, employees shall provide at their expense a copy of the diploma and/ or college/university transcript to the City Manager. This policy shall take effect July 1, 1998.

Group Insurance & Benefits 4.04



HIPAA			
<i>Scope:</i>	All city employees	<i>Effective Date:</i>	03/18/04

General Policy

This policy is intended to address privacy and security practices relating to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), specifically the Administrative Simplification components relating to privacy and security of protected health information. The City of Marion supports an employee's right to protect the privacy of his/her medical information. The City will establish procedures to ensure that protected health information is securely and confidentially maintained and accessed only by authorized individuals. The City will also establish procedures to ensure that employees have access to their protected health information as described in the HIPAA privacy rule.

- Provisions:**
- 1) **Definitions:**
 - a. **Covered Entity:** A covered entity under HIPAA is defined as a group health plan, or a healthcare provider. The City sponsors a group health plan that meets this definition. The "health plan" includes medical insurance, dental insurance, Section 125 flexible spending accounts, and employee assistance program.

A covered entity does not include the City's workers' compensation program, or other employment-related programs and activities of the City. These programs are governed by separate laws and regulations.
 - b. **Protected Health Information:** This includes individually identifiable health information in all forms, including written, oral and electronic records and exchanges, if the uses and disclosures are made by a covered entity (see definition above). Individually identifiable health information that relates to the City's workers' compensation program, and other employment-related programs and activities of the City is not considered protected health information (PHI), and is not subject to HIPAA privacy rules. However, under separate laws and regulations, employees have a right to privacy of this information and employees having access to such information must ensure its confidentiality.
 - c. **Business Associate:** A business associate is a third party that creates or receives protected health information on behalf of a covered entity. Examples of business associates include third party administrators for the City's medical plan, dental plan, Section 125 flexible spending accounts, and employee assistance program. Business Associates must comply with all HIPAA requirements.
 - d. **Authorized Representative:** City staff responsible for the administration of its health plan (medical, dental, FSA's, EAP) will be considered authorized representatives for the purpose of such plan administration.
 - 2) **Permitted and required uses and disclosures of protected health information:** Authorized representatives who are responsible for accessing and communicating protected health information will use the information for various plan administration activities, such as enrollment and dis-enrollment, claims inquiries if PHI is shared or authorized by the employee or personal representative, etc. The amount of information shared will be the minimum necessary to accomplish the intended use.

Group Insurance & Benefits 4.04



- 3) Inappropriate disclosures subject to disciplinary action: In the absence of an employee authorization to do so, no employee is allowed to disclose protected health information for purposes other than allowed for the treatment, payment and healthcare operations of its health plan. An employee who inappropriately discloses protected health information will be subject to disciplinary action, up to and including termination.
- 4) Authorization and Consent: HIPAA regulations provide that an authorization or consent of the affected employee be obtained if protected health information is to be shared outside the health plan as discussed above, or as otherwise permitted by law.
- 5) Individual Rights Under HIPAA: The addendum “Notice of Privacy Practices” details employee rights to inspect, obtain copies, request changes/corrections, obtain documentation of disclosures made by the plans for other than treatment, payment, or operations, and the right to file a complaint. Employees may make requests for information through the health plan’s business associates (i.e. customer service for medical plan) or through the Human Resources Coordinator. The nature of the request will determine the procedure to be followed. Most requests do not involve a fee. However, a request for a “designated record set” would include all medical records held by the Plan and would be subject to a cost-based fee.
- 6) Security of Protected Health Information: The City will establish and maintain appropriate security measures to protect the privacy of protected health information, whether it be in electronic or paper form. This will include the transmission of electronic information within the covered plan.
- 7) Complaints: If an employee believes that his/her individual protected health information has been inappropriately disclosed, the employee is encouraged to first contact the City’s privacy officer (Human Resources Coordinator) to discuss the concern. If the concern cannot be resolved, the employee is then encouraged to file a complaint with the City Manager’s office.
- 8) Notice of Privacy Practices: The City of Marion Notice of Privacy Practices is included as an addendum to this policy.

Group Insurance & Benefits 4.05



IPERS			
<i>Scope:</i>	All city employees	<i>Effective Date:</i>	03/18/04

General Policy
It is the policy of the City of Marion to enrollment all eligible employees in the Iowa Public Employee's Retirement System.

Provisions:
<p>1) Eligibility:</p> <ul style="list-style-type: none">a. All permanent full time and part time employees, not covered by MFPRSI, will be automatically enrolled upon their date of hire.b. Temporary/seasonal employees (a person hired to work less than 6 months or on an irregular or on-call basis) qualify for IPERS by establishing an on-going relationship as follows:<ul style="list-style-type: none">i. When wages paid are \$1,000 or more in two consecutive quarters, orii. When employed for 1,040 hours or more in a calendar year.c. Upon establishing an on-going relationship, temporary/seasonal employees do not have to requalify for IPERS if they leave and return from City employment within a 12 month period.d. See the IPERS Employer Handbook for further guidance on enrollment.

Group Insurance & Benefits 4.06



Deferred Compensation Plan			
Scope:	All city employees	Effective Date:	01/01/02

General Policy
It is the policy of the City of Marion to allow payroll deduction for the employee's private deferred compensation plan.

Provisions:

The following Plan is adopted pursuant to Section 509A 12, Code of Iowa, for the purpose of affording the employees of CITY OF MARION the opportunity to defer compensation as a means of providing retirement benefits. The Plan consists of the provisions set forth in this document, and is applicable to each employee of CITY OF MARION who elects to participate in the Plan.

a. Article I – Definitions

- i. **Employer** means City of Marion, Iowa, a political subdivision of the State of Iowa, or any of its agencies, departments, subdivisions or instrumentalities, for whom services are performed by a Participant.
- ii. **Public Employee** means any person, including elected or appointed officials designated as eligible to participate and receiving any type of compensation from City of Marion, Iowa, or any of its agencies, departments, subdivisions or instrumentalities for whom services are rendered. Eligible employee means any employee scheduled as a regular full time or part time employee with the Employer.
- iii. **Human Resources Coordinator** means the City of Marion Human Resources Coordinator or designee.
- iv. **Compensation** means all payments made to a Public Employee by the Employer as remuneration for services rendered.
- v. **Beneficiary** means the person properly designated by a Participant to receive the Participant's benefit
- vi. **Deferred Compensation** means the amount of normal compensation otherwise payable to the Participant which the Participant and the Employer mutually agree to defer hereunder, or any other amount which the Employer agrees to credit to a Participant's account by reason of a transfer under section 3.03, a rollover under section 3.05, or any other amount which the Employer agrees to credit to a Participant's account.
- vii. **Normal Retirement Age** means age 70 Y, unless the Participant has elected an alternate normal retirement age by written instrument delivered to the administrator prior to separation from service. A Participant's normal retirement age determines:
 - 2) The latest time when benefits may commence under this Plan (unless the Participant continues employment after normal retirement age), and
 - 3) (b) the period during which a Participant may utilize the catch-up limitation of Section 2.06 here- under. Once a Participant has to any extent utilized the catch-up limitation of Section 2.06, his/her normal retirement age may not be changed.

A Participant's Alternate Normal Retirement Age may not be earlier than the earliest date that the Participant will become eligible to retire and receive unreduced retirement benefits under the Employer's basic retirement Plan covering the Participant and may not be later than the date the Participant attains age 70Y: e. If a Participant continues employment with the Employer after attaining age 70Y, not having previously elected an Alternate Normal Retirement Age, the Participant's Alternate Normal Retirement Age shall not be later than the age at which the Participant actually separates from service. If the Participant will not become eligible to receive benefits under a basic retirement Plan maintained by the Employer, the Participant's Alternate Normal Retirement

Age may not be earlier than attainment of age 55 and may not be later than the attainment of age 70Y:e.

- i. **Participant means** any public employee who participates under this Plan by signing the Participation Agreement.
- ii. **Participation Agreement** means any form provided by the Human Resources Coordinator which when executed by a Public Employee authorizes the deferral of compensation and its investment.
- iii. **Normal Compensation** means the amount of compensation which would be payable to a participant by the Employer for a taxable year if an election to defer compensation were not in effect.
- iv. **Includible Compensation** means the amount of an Employee's compensation from the Employer for a taxable year that is attributable to services performed for the Employer and that is includible in the Employee's gross income for the taxable year for federal income tax purposes as defined in Section 457(e)(5) of the Code; such term does not include any amount excludible from gross income under this Plan or any other plan described in Section 457(b) of the Code or any other amount excludible from gross income for federal income tax purposes. Includible Compensation shall be determined without regard to any community property laws.
- v. **Severance Event** means a severance of the Participant's employment with the Employer within the meaning of Section 457(d) (1)(A)(ii) of the Code. In general, a Participant shall be deemed to have experienced a Severance Event for purposes of this Plan when, in accordance with the established practices of the Employer, the employment relationship is considered to have actually terminated.
- vi. **Code** means the Federal Internal Revenue Code of 1986, as amended.

ARTICLE II - Election to Defer Compensation

- 1) 2.1. Compensation will be deferred only in accordance with this Plan, and only after filing of the required forms prior to the beginning of the calendar month in which the agreement is to become effective to defer compensation not yet earned.
- 2) Upon signing the Participation Agreement, the Participant elects to participate in this Plan and consents to the Employer deferring the amount specified in the Participation Agreement from the Participant's gross compensation for each pay period. The dollar amount deferred must equal at least \$10.00 per bi-weekly pay period.
- 3) The Participant may revoke his/her election to participate, or amend the amount of compensation to be deferred, or change the designated investment option by signing and filing with the Human Resources Coordinator a written revocation or amendment on a form and in the procedural manner approved by the Human Resources Coordinator. Changes in the amount of compensation to be deferred, other than a revocation of participation, may be filed a maximum of two times during a calendar year. A revocation of participation may be filed at any time. A change in the designated investment option shall clearly provide for the disposition of the proceeds of the current investment option, which cannot be distributed to the Participant except pursuant to Section 5.01 of the Plan. Any revocation, amendment or change shall affect only that compensation which has not been earned by the Participant or delivered by the Employer to a designated investment underwriter.
- 4) An election to participate may be made prior to the beginning of the calendar month in which the agreement is to become effective to defer compensation not yet earned by filing the required forms with the Human Resources Coordinator. This election shall be effective for compensation to be paid the calendar month following an election to participate and shall remain effective thereafter unless modified in accordance with this Plan.
- 5) Normal Limitation: Except as provided in Section 2.06, the maximum that may be deferred under the Plan for the Participant's taxable year shall not exceed the lesser of the Dollar Limitation or the Percentage Limitation.

- i. Dollar Limitation: means the applicable dollar amount within the meaning of Section 457(b)(2)(A) of the Code, as adjusted by the cost-of-living in accordance with Section 457(e)(15) of the Code.
- ii. Percentage Limitation: means 100 percent of the participant's includible Compensation for the taxable year, which will ordinarily be equivalent to the lesser of the Dollar Limitation in effect for the taxable year or 50 percent of the Participant's Normal Compensation.

6) **Catch-Up Limitations:**

- a. **Catch-up Contributions for Participants Age 50 and over:** The dollar limitation for deferrals established under paragraph 2.05a is increased for eligible participants who have attained the age of 50 or older before the close of the calendar year by the additional amounts permitted under Section 414(v) of the Code.
- b. **Last Three Years Catch-up Contribution:** On and after January 1, 2002, the "457 Catch-Up Dollar Limitation" means twice the Dollar Limitation. For each of the last three (3) taxable years for a Participant ending before his or her attainment of Normal Retirement Age, the maximum amount of the Deferred Compensation shall be the lesser of: (1) the 457 Catch-Up Dollar Limitation, or (2) the sum of (i.) the Normal Limitation for the taxable year, and (ii) the Normal Limitation for each prior taxable year of the Participant commencing after 1978 less the amount of the Participant's Deferred Compensation for such prior taxable years. A prior taxable year shall be taken into account under the preceding sentence only if (x) the Participant was eligible to participate in the Plan for such year (or in any other eligible deferred compensation plan established under Section 457(b) of the Code which is properly taken into account pursuant to regulations under Section 457), and (y) Compensation (if any) deferred under the Plan (or such other plan) was subject to the Normal Limitation.

- 7) **Other Plans:** Notwithstanding any provision of the Plan to the contrary, the amount excludible from a Participant's gross income under this Plan, or any other eligible deferred compensation plan under Section 457(b) of the Code shall not exceed the limits set forth in Sections 457(b) and 414(v) of the Code.

ARTICLE III - Accounts and Reports

- 1) A written report of the status of the Participant's deferred account shall be furnished by the investment provider at least annually and within 90 days after the end of each calendar year.
- 2) All interest, dividends, charges for premiums and administrative expenses, and changes in value due to market fluctuations applicable to each Participant's deferred account shall be credited or debited to the account as they occur. All credits to the Participant's account shall be subject to and measured in the Participant's then effective investment specification.
- 3) A transfer will be accepted from an eligible deferred compensation Plan maintained by another Employer in accordance with Section 457 of the Code (a "Predecessor Plan") and credited to a Participant's Account under this Plan. The Employer may require such documentation from the Predecessor Plan as it deems necessary to effectuate the transfer, to confirm that such Plan is an eligible deferred compensation plan within the meaning of section 457 of the Internal Revenue Code, and to assure that transfers are provided for under such Plan. Any such transferred amount shall not be treated as a deferral subject to the limitations of Article II, except that, for purposes of applying the limitations of section 2.05 and 2.06, an amount deferred during any taxable year under the Plan from which the transfer is accepted shall be treated as if it had been deferred under this Plan during such taxable year and compensation paid by the transferor Employer shall be treated as if it had been paid by the Employer.

- 4) Effective January 1, 1999, assets of the Plan must be held in insurance annuity and custodial account contracts or a trust that meet the exclusive benefit and other requirements of Sections 457(g) and 401(f) of the Internal Revenue Code. The terms of the insurance annuity and custodial account contracts or trust under this paragraph must make it impossible, prior to the satisfaction of all liabilities with respect to the Participants and Beneficiaries, for any part of the assets and income thereof to be used for, or diverted to, any purpose other than for the exclusive benefit of the Participants or Beneficiaries.
- 5) Eligible Rollover Distributions:
- 6) Effective Date: This Section 3.05 is effective January 1, 2002.
- 7) Incoming Rollovers: An eligible rollover distribution may be accepted from an eligible retirement plan maintained by another employer and credited to a Participant's Account under the Plan. The Employer may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Section 402 of the Code and to confirm that such plan is an eligible retirement plan within the meaning of Section 402(c)(S)(B) of the Code. The Plan shall separately account for eligible rollover distributions from any eligible retirement plan that is not an eligible deferred compensation plan described in Section 457(b) of the Code maintained by an eligible governmental employer described in Section 457(e)(1)(A) of the Code.
- 8) Outgoing Rollovers: Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Administrator, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.
- 9) Definitions:
 - a. **Eligible Rollover Distribution:** An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributees and the distributee's designated beneficiary, or for a specified period of ten years or more; or any distribution to the extent such distribution is required under Sections 401(a)(9) and 457(d)(2) of the Code; and any distribution made as a result of an unforeseeable emergency of the employee. For purposes of distributions from other eligible retirement plans rolled over into this Plan, the term eligible rollover distribution shall not include the portion of any distribution that is not includible in gross income.
 - b. **Eligible Retirement Plan:** An eligible retirement plan is an individual retirement account described in Section 408(b) of the Code, an annuity plan described in Sections 403(a) or 403(b) of the Code, a qualified trust described in Section 401(a) of the Code, or an eligible deferred compensation plan described in Section 457(b) of the Code which is maintained by an eligible governmental employer described in Section 457(e)(1)(A) of the Code, that accepts the distributee's eligible rollover distribution.
 - c. **Distributee:** A distributee includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.
 - d. **Direct Rollover:** A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

ARTICLE IV - Investment of Deferred Amount

- 1) Upon receipt of a Participation Agreement the Employer will require, by contractual agreement, the investment option designated by the Participant. The Participant may designate an annuity contract or custodial account contract meeting the requirement of Section 3.04 from any company authorized to do business in Iowa, from any life underwriter duly licensed by the State of Iowa, or from any securities dealer or salesperson registered in Iowa to contract business in this state. The Employer, as Plan fiduciary, is not responsible for any losses, which are the result of investment instructions given by a

Participant or Beneficiary.

- 2) The deferred amount shall be delivered by the Employer to the designated investment underwriter. Deferred amounts will be delivered to investment underwriters one week after the bi-weekly pay period from which such amount was deferred, and only one check will be provided the investment underwriter regardless of the number of Participants requesting investment with that underwriter.
- 3) The underwriter of the investment option contracted by the Employer shall be bound by all terms of this Plan, and shall additionally agree to all the requirements of the Human Resources Coordinator for administration of the Plan.
- 4) Subject to the provisions of Section 3.04, all contracts and other evidences of the investments of all assets under this Plan shall be registered in the name of the Employer which shall be the owner thereof, and all documents, policies, and other evidences of the investment shall be delivered to and maintained in the possession of the Human Resources Coordinator.

ARTICLE V - Benefits

- 1) Benefits and/or proceeds of a deferred compensation account will be payable upon the occurrence of one of the following events:
 - a. **Retirement.** Upon the Participant attaining retirement age, he/she may retire and receive the benefits provided under this Plan and his/her investment option upon giving 30 days written notice to the Human Resources Coordinator.
 - b. **Severance Event.** If the Participant severs his/her employment with the Employer, benefits and/or proceeds may be paid to the Participant or she/he may request transfer or other dispersal of his/her deferred compensation account. Requests for payment or other disposition of a deferred compensation account must be filed in writing with the Human Resources Coordinator 30 days prior to the date of desired dispersal.
 - c. **Death.** If the Participant dies while employed with the Employer and before retirement and without termination of service benefits being paid to him/her under this Plan, or the Participant dies while benefits are being paid to him/her under this Plan, and before such benefits have exhausted, the benefits payable under this Plan shall be paid to his/her designated Beneficiary.
 - d. **Small Benefit Cashouts.** Notwithstanding any other provision of this Plan, a participant may elect to distribute the benefits of the Participant if:
 - i. The total amount of the accrued benefit under the Plan is less than or equal to \$5,000, or such other amount as provided in Internal Revenue Code Section 411 (a) (11). For purposes of determining the accrued benefit under the Plan, the amount of any incoming rollover account established under section 3.05(b) shall be taken into account; and
 - ii. No amount has been deferred by the Participant under the Plan for the most recent two-year period ending on the distribution date; and
 - iii. There has been no prior distribution under this Article V to the Participant, not including distribution under Section 5.03.
 - e. **Transfers to Purchase Defined Benefit Plan Service Credit.** Subject to rules established by the Marion City Council and as permitted by section 457(e)(17) of the Code, a Participant may elect to have all or any portion of the Participant's Account paid via a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d) of the Code) for the purchase of permissive service credit (as defined in section 415(n) of the Code) or for repayments under section 415(k)(3) of the Code.
- 2) **Designated Beneficiary.** The Participant shall have the right to file with the Human Resources Coordinator a written Beneficiary or change of Beneficiary form designating the person or persons who shall receive the benefits payable under this Plan in the event of the Participant's death. If the Participant dies without having a Beneficiary form on file, the payments shall be made in accordance with the Iowa

Probate Code. The Participant accepts and acknowledges that he/she has the burden for executing and filing with the Human Resources Coordinator a proper Beneficiary designation form.

- 3) **Unforeseeable Emergency.** Notwithstanding any other provisions herein, in the event of an "unforeseeable emergency", such events being beyond the control of the Participant, a Participant may request the Human Resources Coordinator to pay benefits to him or her immediately. If the application for payment is approved, payment shall be effected as of the first day of the month following such approval. Benefits to be paid shall be limited strictly to that amount necessary to meet the emergency situation constituting financial hardship. Any remaining benefits shall be paid in accordance with Section 5.01 of this Plan. Payment of benefits because of an unforeseeable emergency shall include the following: unexpected and unreimbursed major expenses resulting from illness, accident, or disability of the Participant or any dependent thereof; major property loss or any other type of unexpected and unreimbursed personal expense of a major nature that would not normally be budgetable. Foreseeable personal expenditures normally budgetable, such as a down payment for a home, the purchase of an automobile, college or other education expenses, etc., will not constitute an "unforeseeable emergency". An application for payment of benefits under this paragraph shall be reviewed by the CITY OF MARION City Council or their designee(s). A decision of the City Council concerning "unforeseeable emergency" shall be final.
- 4) Retirement Benefits and Election on Severance Event:
 - a. General Rule: Except as otherwise provided in this Article V, the distribution of Participant's Account shall commence as of a Participant's Automatic Distribution Date, and the distribution of such benefits shall be made in accordance with one of the payment options described in Section 5.06.
 - b. Notwithstanding the foregoing, but subject to the following paragraphs of this Section 5.04, the Participant may elect following a Severance Event to have the distribution of benefits commence on a fixed determinable date other than that described in the preceding sentence, but not later than April 1 of the year following the year of the Participant's Retirement or attainment of age 70-1/2, whichever is later, provided, however, that (1) such election is made after the 61st day following the Participant's Severance Event and before commencement of distributions, (2) the Participant may make only one such election, and (3) such election is made not less than 30 days prior to the date the distribution of a Participant's Account would otherwise commence.
 - c. On or after January 1, 2002, the Participant's right to change his or her election with respect to commencement of the distribution of benefits shall not be restrained by this section 5.04. Notwithstanding the foregoing, the Administrator, in order to ensure the orderly administration of this provision, may establish a deadline after which such election to defer the commencement of distribution of benefits shall not be allowed.
- 5) Loans are not permitted in this Plan.
- 6) Distributions.
 - a. Distribution Date: Distributions to Participants or their Beneficiaries must commence no later than April 1 of the calendar year following the later of the calendar year in which the Participant reaches age 70% or retires.

The Participant's entire interest in the Plan must be distributed over the life of the Participant or the lives of the Participant and a designated Beneficiary, over a period not extending beyond the life expectancy of the Participant or the life expectancy of the Participant and designated Beneficiary.

When a Participant dies after distribution of benefits has begun, the remaining portion of the

Participant's interest shall be distributed at least as rapidly as under the method of distribution prior to the Participant's death.

When a Participant dies before distribution of benefits has begun, the entire interest of the Participant shall be distributed within five years of the Participant's death. The five-year payment rule does not apply to any portion of the Participant's interest which is payable to a designated Beneficiary over the life or life expectancy of the Beneficiary and which begins within one year after the date of the Participant's death. The five year payment rule does not apply to any portion of the Participant's interest which is payable to a surviving spouse payable over the life or life expectancy of the spouse and which begins no later than the date the Participant would have reached age 70%.

In the case of distributions beginning before the death of a Participant, any amounts not distributed before the Participant's death shall be distributed at times specified by the Secretary of the Treasury which are not later than the time determined under Section 401(a) (9) (G) of the Internal Revenue Code, relating to incidental death benefits and at least as rapidly as under the method being used on the date of the Participant's death.

For any portion of a Participant's benefit under the Plan that has not been distributed before the Participant's death, the remaining amount payable must be paid during a period not exceeding 15 years (or the surviving spouse's life expectancy if the spouse is the Beneficiary).

- b. Payment Options: a Participant may elect to have the value of the Participant's Account distributed in accordance with one of the following payment options, provided that such option is consistent with the limitations set forth in Section 5.04.
 - i. Equal monthly, quarterly, semi-annual or annual payments in an amount chosen by the Participant, continuing until his/her Account is exhausted;
 - ii. One lump-sum payment;
 - iii. Approximately equal monthly, quarterly, semi-annual or annual payments, calculated to continue for a period certain, chosen by the Participant.
 - iv. Annual Payments equal to the minimum distributions required under Section 401 (a)(9) of the Code, including the incidental death benefit requirements of Section 401(a)(9)(G), over the life expectancy of the Participant or over the life expectancies of the Participant and his/her Beneficiary.
 - v. Payments equal to payments made by the issuer of a retirement annuity policy acquired by the Employer.
 - vi. A split distribution under which payments under options (1), (2), (3) or (5) commence or are made at the same time, as elected by the Participant under Section 5.04, provided that all payments commence (or are made) by the latest benefit commencement date under Section 5.04.
 - vii. Any other payment option elected by the Participant and agreed to by the Employer and Administrator.

If, prior to January 1, 2002, a Participant made a timely election of payment date but failed to specify a payment option or failed to make a timely election of both payment date and option, and as a result, was defaulted to benefit commencement at age 65, or such other date as the Participant may have specified, benefits shall be paid annually commencing at age 65 or the date specified by the Participant until the Participant reaches age 70-1/2. When the Participant reaches age 70-1/2, payments shall be made in accordance with Code section 401 (a) (9) and the regulations thereunder.

7) Domestic Relations Orders are not recognized in the Plan.

ARTICLE VI - Administration of the Plan

- 1) The Human Resources Coordinator shall be the administrator of this Plan, and all required documents, forms and policies shall be filed in the office of the Human Resources Coordinator, Marion City Hall, and 1225 6th Avenue, Marion, IA 52302.
- 2) The Employer may at any time amend or modify this Plan with or without the consent of the Participant (or any Beneficiary thereof). All amendments or modifications to this Plan shall be available for inspection, along with this Plan, in the office of the Human Resources Coordinator, and any modification or amendment shall not become effective until the first day of the month following its approval by the City Council or on such other date as the amendment may designate.
- 3) The Employer, through the CITY OF MARION City Council, shall be authorized to resolve any questions of fact necessary to decide the Participant's rights under this Plan, and such decisions shall be binding on the Participant and any Beneficiary thereof. Further, the Employer shall be authorized to construe the Plan and to resolve any ambiguity in the Plan.
- 4) The Employer may delegate the duties and responsibilities established under the Plan in a manner consistent with its fiduciary responsibilities as established under this Plan.
The City Council, CITY OF MARION, Iowa, shall, as provided in Section 670.8, Code of Iowa, and subject to the limitations contained therein, defend, save harmless and indemnify its officers and employees, whether elected or appointed, who are delegated or assigned duties under this Plan. Duties delegated or assigned to CITY OF MARION officers and employees under this Plan are deemed to be within the scope of their employment duties.

ARTICLE VII - General Provisions

- 1) Participation in this Plan by a Public Employee shall not be construed to give constructive employment to the Participant or to alter or amend an existing employment contract of the Participant, nor shall participation in this Plan be construed as affording to the Participant any representation or guarantee regarding his/her continued employment.
- 2) The Employer and the Human Resources Coordinator do not represent or guarantee that any particular federal or state income, payroll, personal property, or other tax consequence will occur because of the Participant's participation in this Plan. The Participant should consult with his/her own representative regarding all questions of federal or state income, payroll, personal property, or other tax consequences arising from participation in this Plan.
- 3) Whenever used herein the masculine gender shall include the feminine, and the singular shall include the plural unless the provisions of the contract specifically require a different construction.
- 4) The laws of the State of Iowa shall apply in determining the construction and validity of this Plan.
- 5) The rights of the Participant under this Plan shall not be subject to the rights of the creditors of the Participant or any Beneficiary, and shall be exempt from execution, attachment, prior assignment, or any other judicial relief or order for the benefit of creditors or other third persons.
- 6) Neither the Participant nor his/her Beneficiary nor any other designee shall have any right to commute, sell, assign, transfer, or otherwise convey the right to receive any payments hereunder, and any payments or rights thereto are expressly declared to be non-assignable and nontransferable.

Group Insurance & Benefits 4.06

- 7) This Plan, any properly adopted amendment thereof, and any forms required by this Plan when executed by both the Participant and the Employer, shall constitute the total agreement or contract between the Employer and the Participant regarding the Plan. No oral statements regarding the Plan may be relied upon by the Participant. This Plan, and any amendment thereof, shall be binding on the parties hereto and their respective heirs, administrators, trustees, successors, and assignees, and on all designated beneficiaries of the Participant.

- 8) The Employer and Human Resources Coordinator are not responsible or liable for any misconduct, negligence, error or omission, financial mismanagement or insolvency of any investment underwriter to whom deferred amounts are paid in accordance with his/her Plan and the Participation

Group Insurance & Benefits 4.07



Retirement Health Savings Plan			
<i>Scope:</i>	All employees of the City of Marion in groups, except as stated in the general policy.	<i>Effective Date:</i>	02/18/10

General Policy
It is the policy of the City of Marion to allow groups of employees to participate in the Vantagecare Retirement Health Savings (RHS) Plan-ICMA-RC. The VantageCare RHS plan applies only to non-bargained Fire or Police Department employees that are separated from service under a service or ordinary disability retirement as defined by the Municipal Fire and Police Retirement System of Iowa and does not apply to Fire and police employees who separate from service as a result of an accidental medical retirement as defined by the Municipal Fire and Police Retirement System of Iowa.

Provisions:
<ol style="list-style-type: none">1) Groups of employees may opt to join the Vantagecare Retirement Health Savings (RHS) Plan-ICMA-R.2) The plan allows said groups of employees to contribute city pay outs upon retirement (such as unused sick leave, vacation, compensatory time) into the plan and from these contributions, employees may pay for medical expenses.3) The plan selected by the group must be identical for the group as a whole.4) Employees interested in joining the plan should consult with the Human Resources Coordinator.