

ORDINANCE 15-O-53 amending Appendix C, Employees' Revised Pension Trust Agreement, of the Murfreesboro City Code, to comply with state law relative to qualified domestic relations orders.

WHEREAS, state law now requires qualified pension plans of Tennessee local governments to recognize qualified domestic relations orders; and,

WHEREAS, the City's pension plan needs to be amended to comply with the new state law.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MURFREESBORO, TENNESSEE, AS FOLLOWS:

SECTION 1. Appendix C of the Murfreesboro City Code is hereby amended by adding the following Section 4.10 to said appendix:

"Beginning July 1, 2015, and pursuant to T.C.A. §26-2-105, the Plan will honor claims presented under a qualified domestic relations order ("QDRO"), if the order relates only to the provision of marital property rights for the benefit of the former spouse of a Participant. A QDRO is defined by Internal Revenue Code §414(p), subject to the limitations set forth in the preceding sentence.

If a QDRO pertains to a Participant who has not commenced receiving benefits at the time the QDRO is received by the Pension Committee, the alternate payee under said QDRO may elect to begin receiving benefits pursuant to the order at any time after the Participant attains his or her Early Retirement Date, but not earlier than July 1, 2015. Such alternate payee may receive benefits in any form provided in Section 4.04 of this appendix, except a joint and survivor annuity.

If a QDRO pertains to a Participant who is already receiving benefits under the Plan, the alternate payee shall share in the payments being made to the Participant and shall not be allowed to change the payment method or the timing of the payments.

The Pension Committee shall be responsible for the review and processing of a QDRO; it may, in its discretion, further delegate some or all of such responsibility to a City employee or third party, provided the ultimate authority for the determination of the qualified status of a domestic relations order remains with the Pension Committee. The Pension Committee will establish reasonable procedures to determine the qualified status of a domestic relations order."

SECTION 2. Appendix C, Section 9.03(c)(1)(iv)(E) of the Murfreesboro City Code is hereby amended by deleting said subsection in its entirety and replacing it with the following:

"(E) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the Beneficiary whose life was being used to determine the distribution period described in Section 9.03(d) dies or is no longer the Participant's Beneficiary pursuant to a qualified domestic relations order as described in Section 4.10;"

SECTION 3. Appendix C, Section 9.04 of the Murfreesboro City Code is hereby amended by replacing all references throughout said section to "as defined in Code section 414(p)" with "as described in Section 4.10".

SECTION 4. Appendix C, Section 10.03 of the Murfreesboro City Code is hereby

amended by adding the following wording after "insurance coverage," in the first sentence:

"to determine the validity of, and take action with respect to, any qualified domestic relations order (as described in Section 4.10) received by it,"

SECTION 5. Appendix C Section 17.04 of the Murfreesboro City Code is hereby amended by adding the following paragraph to the end of said Section:

"The preceding paragraph shall not apply to a "qualified domestic relations order", as described in Section 4.10 or to an order for assignment of support issued under T.C.A. §36-5-501. The Pension Committee shall establish a written procedure to determine the qualified status of domestic relations orders and the acceptability of orders of support, and to administer distributions under such orders. To the extent provided under a "qualified domestic relations order," a former spouse of a Participant shall be treated as the eligible Spouse or surviving eligible spouse for all purposes under the Plan.

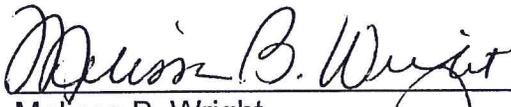
SECTION 6. That this Ordinance shall take effect immediately after its passage upon third and final reading as an emergency exists, and the public welfare and the welfare of the City require its adoption as an emergency ordinance.

Passed:

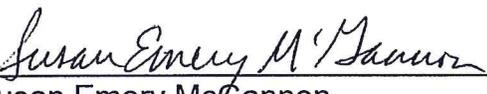
1st reading September 17, 2015
2nd reading October 1, 2015
3rd reading October 15, 2015


Shane McFarland, Mayor

ATTEST:


Melissa B. Wright
City Recorder

APPROVED AS TO FORM:


Susan Emery McGannon
City Attorney

SEAL