

RESOLUTION 2018-018  
DELAWARE COUNTY COUNCIL

**ORIGINAL**

A RESOLUTION AUTHORIZING A FIRST AMENDMENT TO DELAWARE COUNTY  
POLICE RETIREMENT PLAN

WHEREAS, the Delaware County Sheriff's Department has prepared and submitted a proposed First Amendment ("First Amendment") to the Delaware County Police Retirement Plan effective as of January 1, 1969, and as amended by a complete restatement, effective as of January 1, 2015 ("Plan"); and

WHEREAS, the First Amendment to the Plan has been approved and ratified by the Delaware County Sheriff's Merit Board; and

WHEREAS, the First Amendment to the Plan is designed to be actuarially neutral and will not impact the funding requirement of the Plan;

NOW THEREFORE BE IT RESOLVED that:

1. The Delaware County Council hereby approves and ratifies the First Amendment to the Plan, a true and correct copy of which is attached hereto and made a part hereof; and
2. The President of the Council is hereby authorized to execute and deliver the same for and on behalf of the County Council.

Dated this 22 day of May, 2018.

Scott Alexander  
Scott Alexander, Councilman

Christopher W. Matchett  
Christopher W. Matchett, Councilman

Larry W. Bledsoe, Jr.  
Larry W. Bledsoe, Jr., Councilman

Jessica Piper  
Jessica Piper, Councilwoman

Mary Chambers  
Mary Chambers, Councilwoman

Ronald Quakenbush  
Ronald Quakenbush, Councilman

Jane Lasater  
Jane Lasater, Councilwoman

Attest:

Steven Craycraft  
Steven Craycraft, Auditor

Chief Deputy Auditor

This Resolution is approved in form by WHL

Legal Counsel

FIRST AMENDMENT  
TO  
DELAWARE COUNTY POLICE RETIREMENT PLAN

WHEREAS, Delaware County Police Retirement Plan (hereinafter referred to as "Plan") was established by Delaware County Sheriff's Department, Muncie, Indiana (hereinafter referred to as "Employer"), effective as of January 1, 1969; and as amended by a complete restatement, effective as of January 1, 2015; and

WHEREAS, by Section 11.01 of the Plan, the Employer reserved the right to amend the Plan with the approval of the Merit Board and the county fiscal body; and

WHEREAS, the Employer desires to amend the Plan in certain respects heretofore considered and discussed to adopt a deferred retirement option program (hereinafter sometimes referred to as "DROP") and to adopt a ten year service requirement as part of the plan's definition of Normal Retirement Date;

NOW, THEREFORE, BE IT RESOLVED, that the Plan is hereby amended by this First Amendment, effective as of the first of the month after execution of this Amendment by the Sheriff's Department, Merit Board and County Council, to read as follows:

1. Section 2.01(a) is hereby amended in its entirety to read as follows:

"(a) 'Actuarial Equivalent' or 'Actuarially Equivalent' means a benefit of equivalent value. For all benefits **except in the conversion of the 'DROP Benefit Accumulation' to a monthly annuity**, such 'Actuarially Equivalent' or 'Actuarial Equivalent' benefits shall be computed based on an interest rate of six percent (6%) per annum, compounded annually, and mortality determined as follows:

(1) For Participants, the Unisex Pension 1984 Mortality Table (UP-1984 Table) with ages set forward one-half (1/2) year. This age adjustment is determined by interpolating (straight line) between mortality rates with no age adjustment and mortality rates with ages set forward one (1) year.

(2) For Beneficiaries, the Unisex Pension 1984 Mortality Table (UP-1984 Table) with ages set back three and one-half (3-1/2) years. This setback is determined by interpolating (straight line) between mortality rates with a three (3) year age setback and mortality rates with a four (4) year age setback.

"It is noted that the above mortality assumptions are commonly referred to as a '90-10 male/female mix.'

**"To convert the 'DROP Benefit Accumulation' to a monthly annuity as provided for under Section 5.04(f), the 'Actuarially Equivalent' or 'Actuarial Equivalent' benefits shall be computed based on the Applicable Interest Rate for the month of November immediately preceding the Plan Year in which the**

conversion to a monthly annuity is made and the Applicable Mortality Table. For purposes hereof, the 'Applicable Interest Rate' is the rate described in Section 417(e) of the Internal Revenue Code. Determination of the segmented rates shall be based on rules similar to the rules on segmented rates under Section 430(h)(2)(C) of the Internal Revenue Code and shall comply with Internal Revenue Service Notice 2007-81 and any future guidance provided by the Internal Revenue Service. The applicable mortality table is prescribed by the Secretary of the Treasury pursuant to Section 417(e)(3) of the Internal Revenue Code, Revenue Ruling 2007-67, and any other guidance provided by the Internal Revenue Service.

"For purposes of applying any limitations applicable under Section 6.05 of the Plan, which incorporates the provisions of Section 415(b) of the Internal Revenue Code, any specific rules on determining Actuarial Equivalence or applying any actuarial increase or reduction for purposes of such limitation shall take precedence over any provisions of this Section 2.01(a) that may imply a contrary result."

2. Section 2.01 (h) is hereby amended in its entirety to read as follows:

"(h) 'Net Amount of Contributions' means the amount of money actually paid into the Trust Fund from the wages of each Participant, prior to January 1, 2002 and subsequent to October 4, 2010, plus interest at the rate of three percent (3%) compounded annually, up to the earlier of DROP Entry Date, if applicable, or severance date, less any sums, plus interest at the same rate, paid from the Trust Fund to such Participant or to any governmental fund for the credit or benefit of such Participant. Crediting of interest shall commence as of the end of the Plan Year in which contributions are made by the Participant."

3. Section 2.02 of the Plan is hereby amended by the insertion of new language immediately before the reference to a definition of 'Early Retirement Age' in order to cross-reference the provisions of the DROP added by this First Amendment; such new language shall read as follows:

"DROP Benefit Accumulation	5.04(d)
DROP Entry Date	5.04(a)(3)
DROP Frozen Benefit	5.04(a)(4)
DROP Participant	5.04(a)(2)
DROP Period	5.04(a)(5)
Deferred Retirement Option Program or DROP	5.04(a)(1)
Normal Retirement	5.01"

4. Section 3.04 of the Plan is hereby amended by the addition of subsection (h) which shall read as follows:

"(h) A Participant who has elected to enter the Deferred Retirement Option Program provided in Section 5.04 **shall not** be eligible to elect to purchase additional Credited Service during the DROP Period."

5. Section 5.01 is hereby amended in its entirety to read as follows:

**"Section 5.01. Normal Retirement.**

"(a) The Normal Retirement Date of a Participant who was hired prior to October 4, 2010 is (a) his fiftieth (50th) birthday if his birthday falls on the first day of a month or (b) the first day of the first month following his fiftieth (50th) birthday, if his birthday falls on a day other than the first day of a month.

"(b) The Normal Retirement Date of a Participant who is hired on or after October 4, 2010, but prior to the effective date of this First Amendment, is (a) his fifty-fifth (55th) birthday if his birthday falls on the first day of a month or (b) the first day of the first month following his fifty-fifth (55th) birthday, if his birthday falls on a day other than the first day of a month.

"(c) The Normal Retirement Date of a Participant who is hired on or after the effective date of this First Amendment is (a) his fifty-fifth (55th) birthday if his birthday falls on the first day of a month and his completion of at least ten (10) years of Credited Service or (b) the first day of the first month following his fifty-fifth (55th) birthday and his completion of at least ten (10) years of Credited Service, if his birthday falls on a day other than the first day of a month.

"(d) The Normal Retirement Date of a Participant who is rehired and who previously severed employment with a 100% vested monthly benefit under Section 7.01(a)(2), is determined under (a), (b) or (c) above using the Participant's **original** date of hire.

"(e) The Normal Retirement Date of a Participant who is rehired and who previously elected a lump sum payment under Section 7.01(a)(1), is determined under (a), (b) or (c) above using the date the Participant was **rehired** to determine his Normal Retirement Date.

"(f) The Normal Retirement Date of a Participant who is rehired and who previously severed employment being 0% vested, but whose Net Amount of Contributions has remained in the Plan, is determined under (a), (b) or (c) above using the date the Participant was **rehired** to determine his Normal Retirement Date.

"'Normal Retirement Age' means, with respect to a Participant, the Participant's age as of his Normal Retirement Date."

6. Article V of the Plan is hereby amended by the addition of a new Section 5.04, which shall read as follows:

**"Section 5.04. Deferred Retirement Option Program (DROP).**

"(a) The following definitions shall apply for purposes of this Section:

(1) 'Deferred Retirement Option Program' or 'DROP' shall mean the program described in this Section.

(2) 'DROP Participant' shall mean a Participant who elects the DROP benefit described in this Section.

(3) 'DROP Entry Date' shall mean the date elected by the Participant as the first day of the Participant's DROP Period. **The date elected shall not be later than July 1, 2021 unless the Plan is amended effective on a future date to extend eligibility to enter DROP beyond July 1, 2021. As of the effective date of this amendment, the 'DROP Entry Date' is subject to the 'sunset provision' described in the preceding sentence.**

(4) 'DROP Frozen Benefit' shall mean a monthly pension benefit calculated under the provisions of this Plan payable in a life annuity commencing on the Participant's Normal Retirement Date, or if later, his Late Retirement Date, and based on the Participant's Salary and years of Credited Service as of the Participant's DROP Entry Date.

(5) 'DROP Period' shall begin on the Participant's DROP Entry Date and shall end on the Participant's retirement date. The DROP Period shall not be longer than three (3) years and shall not extend beyond the date the Participant is credited with thirty-two (32) years of Credited Service if hired prior to October 4, 2010, or is credited with twenty-six (26) years of Credited Service if hired on or after October 4, 2010.

"(b) When a Participant has attained Normal Retirement Age, he may irrevocably elect to enter the DROP. If the Participant does not elect the DROP on the date he is first eligible, he may elect to enter the DROP as of the first day of any subsequent month. In order to be valid, a Participant's DROP election must comply with all provisions of this Section and must be made in writing delivered to the Committee prior to the date when the Participant is first eligible to enter the DROP, which shall be the later of (i) the first day of the month after execution of this First Amendment by the Sheriff's Department, Merit Board and County Council, or (ii) the date when the Participant has reached Normal Retirement Age but is not yet credited with thirty-two (32) years of Credited Service if hired prior to October 4, 2010, or not yet credited with twenty-six (26) years of Credited Service if hired on or after October 4, 2010. A Participant may only make one (1) DROP election.

"(c) From the date that a Participant enters the DROP thereby becoming a DROP Participant, the following consequences shall apply: (i) he will not be credited with any additional Credited Service after his DROP Entry Date, even if the Plan is amended to provide for recognition of more than thirty-two (32) years of Credited Service for Participants hired prior to October 4, 2010, or to provide for recognition of more than twenty-six (26) years of Credited Service if hired on or after October 4, 2010, (ii) no increases in Salary after his DROP Entry Date shall be recognized for purposes of calculating any benefit to which a DROP Participant may become entitled under other Sections of this Plan upon severing his employment, and (iii) no further employee contributions by the DROP Participant shall be required or permitted after the payroll period that ends immediately after his DROP Entry Date.

"(d) This Section provides for certain DROP benefits that may become payable in addition to the benefits payable under other provisions of the Plan upon the actual severance from employment by retirement at any time after the Participant has entered the DROP. Such a Participant's DROP benefit shall be equal to the accumulated amount of the DROP Frozen

Benefit that would have been payable during the DROP Period if the Participant had, instead of entering DROP, elected to retire and had commenced to receive his DROP Frozen Benefit, for each month while he is a DROP Participant. Such amounts shall not be accumulated with interest. The accumulated benefits are hereinafter sometimes referred to the 'DROP Benefit Accumulation.'

"(e) In order to enter the DROP, an eligible Participant must submit the following irrevocable elections:

- (1) a written election to participate in the DROP, specifying a future DROP Entry Date;
- (2) a written election of a retirement date, which must be the last day of the DROP Period elected by the Participant; provided, that a Participant is not precluded from voluntarily retiring as of an earlier date, nor is the Employer precluded from severing his employment in accordance with applicable laws; and
- (3) a written election not to make any contributions under the Plan during any period of employment after the payroll period that ends immediately after the Participant's DROP Entry Date.

"(f) Upon severance from employment at the end of the DROP Period, or upon severance from employment at any earlier time during the DROP Period, a DROP Participant shall be entitled to receive his DROP Benefit Accumulation, payable (as elected by the DROP Participant) in any of the following forms of payment:

- (1) a lump sum of the DROP Benefit Accumulation;
- (2) a direct rollover of the DROP Benefit Accumulation;
- (3) an increase in the DROP Frozen Benefit that is Actuarially Equivalent to the DROP Benefit Accumulation as of the date of commencement of the DROP Frozen Benefit and payable in the same form as the DROP Frozen Benefit; or
- (4) any combination of the foregoing.

Such DROP Benefit Accumulation shall be payable to the DROP Participant in addition to the DROP Frozen Benefit.

"(g) If a Participant's employment with the Employer severs because of a disability (either in the line of duty or other than in the line of duty) after the Participant's DROP Entry Date and prior to the retirement date specified in the written election described in Section 5.04(e), benefits payable under this Plan shall be calculated as if the Participant had never entered the DROP. Credited Service for the period of time the Participant was in the DROP shall be credited to the Participant, and the Participant shall not be required to make up the required Participant contributions for such period.

"(h) If the retirement date a Participant has specified in his DROP election form needs to be extended because of the voting or electoral process, the Participant's benefits from the Plan shall be calculated as if he had never entered the DROP. Furthermore, the Participant shall not be eligible to elect the DROP in the future. Such a Participant shall receive credit for each year of service earned while he was in the DROP, only if he makes up the required Participant contributions for each year within twelve (12) months of the date the Participant notifies the Employer that his retirement date needs to be extended.

"(i) If during the DROP Period the Participant is on an unpaid non-military leave of absence, then the benefit payments that would have been added to the DROP Benefit Accumulation under Section 5.04(d) for the full months of the leave shall not be added to the DROP Benefit Accumulation. Benefit payments for any partial month of the leave shall be added to the DROP Benefit Accumulation. However, if during the DROP Period the Participant is on a leave of absence that qualifies as a military leave under the Uniformed Services Employment and Reemployment Rights Act, then benefit payments shall be added to the DROP Benefit Accumulation without interruption as provided under Section 5.04(d). Neither a military leave of absence nor a non-military leave shall extend the DROP Period."

7. Section 6.08 is hereby amended with the addition of the following paragraph at the end of Section 6.08:

"Notwithstanding the foregoing, the cost-of-living adjustment described in this Section shall not apply to the DROP Benefit Accumulation at any time (including any DROP Benefit Accumulation that is used to Actuarially Increase the Participant's DROP Frozen Benefit at actual retirement) and shall not apply to the DROP Frozen Benefit from the Participant's Drop Entry Date to his actual retirement date."

8. Section 8.01 is hereby amended in its entirety to read as follows:

**Section 8.01. Death Benefits After Retirement.** If a Participant dies after retirement benefits have commenced, the death benefit shall be in accordance with the provisions of the form of benefit paid under Article VI at the time of retirement. If at the time of the death of a Beneficiary receiving a benefit in accordance with Section 6.04 the aggregate payments to the Pensioner and the Beneficiary (including the DROP Frozen Benefit and the DROP Benefit Accumulation) do not equal or exceed (a) the Participant's Net Amount of Contributions plus (b) the amount transferred by the Participant (adjusted for interest at a rate that ensures the Plan remains actuarially cost neutral) pursuant to Section 3.04 for the purchase of Credited Service, then the difference between such aggregate and (a) the Net Amount of Contributions plus (b) the transfer amount for the purchase of Credited Service (adjusted for interest at a rate that ensures the Plan remains actuarially cost neutral) shall be paid to such Beneficiary's estate in a lump sum."

9. Section 8.02 of the Plan is hereby amended in its entirety to read as follows:

**"Section 8.02. Death Benefits Before Retirement.** In the event a Participant dies prior to the commencement of any benefit from this Plan, a death benefit shall be payable in accordance with subsections (a), (b), and (c) as follows:

"(a) If a Participant who does **not** have a vested interest in the Plan dies while employed by the Employer or after severance from employment for any reason, but prior to the commencement of any benefit from this Plan, his designated Beneficiary shall be entitled to receive a death benefit which shall be a lump sum equal to his Net Amount of Contributions at time of death plus the amount transferred by the Participant pursuant to Section 3.04 for the purchase of Credited Service (adjusted for interest at a rate that ensures the Plan remains actuarially cost neutral). If a married Participant dies who **has** a vested interest in the Plan, his designated Beneficiary shall be entitled to a lump sum equal to the greater of (i) his DROP Benefit Accumulation if he had entered the DROP, or (ii) the Net Amount of Contributions at time of death. If an unmarried Participant dies who **has** a vested interest in the Plan, his designated Beneficiary shall be entitled to a lump sum equal to the greater of (i) his DROP Benefit Accumulation if he had entered the DROP, or (ii) the Net Amount of Contributions at time of death plus the amount transferred by the Participant pursuant to Section 3.04 for the purchase of Credited Service (adjusted for interest at a rate that ensures the Plan remains actuarially cost neutral).

"(b) In addition to the lump sum equal to the greater of (i) his DROP Benefit Accumulation or (ii) the Net Amount of Contributions at time of death, if a married Participant who has a vested benefit in the Plan dies while employed by the Employer or after severance from employment, for any reason, but prior to the commencement of any benefit from this Plan, his surviving spouse shall be entitled to a monthly survivor benefit payable in accordance with this subsection (b) for the remaining lifetime of such surviving spouse. If the Participant had satisfied the requirements for Early Retirement at the date of his death, then such monthly survivor benefit shall commence as of the first day of the month following his date of death unless the spouse elects a later commencement date. Such later commencement date may not be later than the Participant's Normal Retirement Date. However, if the Participant's death occurs after he has reached Normal Retirement Age, the benefit shall commence the first day of the month following his death. The amount of the death benefit shall be equal to the survivor annuity that would have been payable if the Participant had severed employment and immediately prior to his date of death had commenced receipt of his retirement benefits in the form of an Actuarially Equivalent one hundred percent (100%) joint and survivor annuity with adjusted level monthly payments to the Participant during his lifetime and continued monthly payments in the same amount for the lifetime of his surviving spouse.

If the Participant had not satisfied the requirements for Early Retirement under the Plan at the date of his death, the payment of benefits to the surviving spouse shall commence on the date specified by the spouse, provided the date is not earlier than the Participant's Early Retirement Date and is not later than the Participant's Normal Retirement Date. The amount of benefit is calculated assuming the Participant had (i) severed employment with the Employer on the earlier of the Participant's actual severance from employment or the date of the Participant's death, (ii) survived to the date of commencement of the death benefit elected by the surviving spouse, (iii) commenced receipt of his deferred vested severance benefit as of his Early Retirement Age or his



Normal Retirement Age, depending on the commencement date elected by his surviving spouse, in the form of an Actuarial Equivalent one hundred percent (100%) joint and survivor annuity with adjusted level monthly payments to the Participant during his lifetime and continued monthly payments in the same amount for the lifetime of his surviving spouse, and (iv) died on the day after the commencement date elected by his surviving spouse.

"(c) For a DROP Participant, the foregoing provisions of this Section shall apply to any death benefit payable for the DROP Frozen Benefit. The DROP Benefit Accumulation shall be paid to the Participant's surviving spouse in a lump sum. If there is no surviving spouse, the DROP Benefit Accumulation shall be paid in a lump sum that is divided equally among the Participant's surviving children. If there are no surviving children, the DROP Benefit Accumulation shall be paid in a lump sum that is divided equally between the Participant's parents. If there are no surviving parents, the DROP Benefit Accumulation shall be paid in a lump sum to the Participant's estate."

In witness of its adoption of the foregoing amendment to the Plan, the Employer has caused this amendment to be executed as of the 14 day of May, 2018.

DELAWARE COUNTY SHERIFF'S DEPARTMENT

By [Signature]  
Sheriff of Delaware County

14 Approved and ratified at a meeting of the Delaware County Sheriff's Merit Board on the day of May, 2018.

DELAWARE COUNTY SHERIFF'S MERIT BOARD

James T. Scott, Jr.

27th Approved and ratified at a meeting of the County Council of Delaware County on the day of May, 2018.

COUNTY COUNCIL OF DELAWARE COUNTY

[Signature]  
T/E