



February 1, 2017

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TRANSMITTED VIA EMAIL AND U.S. MAIL
(kbolick@smyrnaga.gov)

Ms. Kay Bolick
Director of Human Resources and Risk Management
City of Smyrna
P.O. Box 1226
Smyrna, Georgia 30081-1226

**Re: City of Smyrna Georgia Municipal Employees Benefit System (GMEBS)
Defined Benefit Retirement Plan; Amendment to Permit Participants to
Designate Pre-Retirement Beneficiaries other than Surviving Spouse
and Minor Child(ren) and Provide for Payment of Death Benefits to
Participant's Estate in Absence of Designated Beneficiary**

Dear Ms. Bolick:

Enclosed please find two (2) copies of a draft amended Adoption Agreement and two (2) copies of a draft General Addendum for the City of Smyrna's Georgia Municipal Employees Benefit System ("GMEBS") Defined Benefit Retirement Plan ("Plan"). The amendment to the Plan applies to participants who are in-service with the City on or after March 1, 2017. It removes existing language stating death benefits are payable to a participant's surviving spouse or minor child(ren) and adds language allowing participants to designate pre-retirement beneficiaries of their choice. Each participant who is in service on or after March 1, 2017, will be able to name one primary and one secondary pre-retirement beneficiary to receive pre-retirement death benefits in the event the participant dies before retirement and is otherwise eligible for death benefits. The amendment also establishes a default in the event a participant who is in service on or after March 1, 2017, dies before retirement but there is no designated pre-retirement beneficiary to whom a benefit can be paid. In that case, the participant's surviving spouse will be the pre-retirement beneficiary. If there is no pre-retirement beneficiary (i.e., designated beneficiary or surviving spouse) to whom a benefit can be paid, a benefit in the amount of 50% of the actuarial equivalent of the participant's vested accrued benefit, if any, will be payable to the participant's estate.

Because the Plan previously did not allow participants to designate a pre-retirement beneficiary, it is especially important that participants be informed of this amendment to the Plan. Please emphasize to participants that they now have the opportunity to complete a pre-retirement beneficiary form designating one primary and one secondary beneficiary of their choosing. The current Plan provisions stating that death benefits are payable to a surviving spouse or minor child(ren) will not apply with respect to participants who are in-service (including current employees and current elected officials) on or after March 1, 2017. If participants who are in-service with the City on or after March 1, 2017 do not complete a pre-retirement beneficiary form, any death benefits paid on their behalf will be paid in accordance with the default provisions described above.

Because the rules under the Internal Revenue Code for paying non-spouse beneficiaries are different than the rules for paying spousal beneficiaries, the draft Adoption Agreement amends the formulas for calculating death benefits. In particular, the draft Adoption Agreement provides that the terminated vested death benefit for Class 3, 4 and 5 participants will be actuarially equivalent to the benefit provided to these classes under the City's current plan (i.e., the benefit paid to the participant's spouse, assuming payments do not begin until after the participant's earliest retirement date), regardless of who the beneficiary is or when benefits commence. The draft Adoption Agreement also simplifies calculation of the in-service death benefit calculation for Class 1 and Class 2 participants by changing it from a benefit calculated, in part, based on the number of minor children who survive the participant, to the Auto A death benefit. This makes the in-service death benefit for Class 1 and Class 2 participants the same as the terminated vested death benefit for this group.

The amendment will become effective on March 1, 2017. **Please note that per O.C.G.A. § 47-5-40, the Adoption Agreement has been drafted in the form of an ordinance.**

If the draft Adoption Agreement and General Addendum are acceptable as drafted, please have the designated representatives sign and date two (2) copies of the Adoption Agreement and two (2) copies of the General Addendum where indicated (p. 42 and p. 21, respectively) and return all executed originals to:

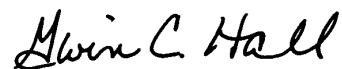
Ms. Gina Shirley
GMA Legal Assistant
c/o Georgia Municipal Association
P.O. Box 105377
Atlanta, GA 30348

We will then countersign all of the documents. We will keep one original executed Adoption Agreement and General Addendum for our files, and we will return the other original executed Adoption Agreement and General Addendum to you.

Upon adoption, the executed Adoption Agreement and General Addendum will replace the previous documents, which became effective December 1, 2015. Please mark the previous Adoption Agreement and General Addendum, "superseded by March 1, 2017, Adoption Agreement and General Addendum."

Please let us know if you have any questions about, or revisions to, the draft Adoption Agreement and General Addendum.

Sincerely,



Gwin Hall
Senior Associate General Counsel

Encl.

C: Mr. Scott Cochran, City Attorney, City of Smyrna (w/ encl.)
Ms. Marinetty Bienvenu, Director, Employee Benefit Services (w/o encl.)
Mr. Randy Logan, Director, Retirement Field Services and Defined Contribution Program (w/o encl.)
Ms. Caroline Porter, Assistant General Counsel (w/o encl.)