

CITY OF NEWPORT

RESOLUTION NO. 3580

A RESOLUTION AMENDING THE  
CITY OF NEWPORT EMPLOYEES' RETIREMENT PLAN

The City of Newport resolves as follows:

**Section 1.** Non-collectively bargained employees hired on or after March 5, 2012, shall be entitled to receive an additional matching Money Purchase contribution under Section 4 of the City of Newport Employees' Retirement Plan (the Plan) as set forth in the attached Amendment #2 (the Amendment); and

**Section 2.** Non-collectively bargained employees hired on or after March 5, 2012, shall not accrue benefits under Section 6 of the Plan; and

**Section 3.** The Amendment, as attached, is hereby approved and adopted and an authorized representative of the City of Newport is hereby authorized and directed to execute and deliver the Amendment to the Administrator of the Plan; and

**Section 4.** The undersigned authorized representative of the City of Newport (the Employer) hereby certifies that the following resolution was duly adopted by the City of Newport effective March 5, 2012, and that such resolution has not been modified or rescinded as of the date hereof; and

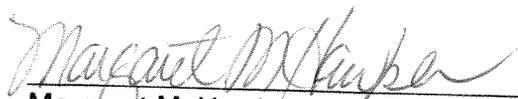
**Section 5.** The undersigned further certifies that attached hereto is a copy of the Amendment approved and adopted by this resolution.

Adopted by the Newport City Council on March 5, 2012.

CITY OF NEWPORT

  
Mark McConnell, Mayor

ATTEST:

  
Margaret M. Hawker, City Recorder

**AMENDMENT NO. 2 TO THE  
CITY OF NEWPORT  
EMPLOYEES' RETIREMENT PLAN**

The City of Newport, hereinafter "the City," sponsors the City of Newport Employees' Retirement Plan, hereinafter "the Plan." Article 11.01 of the Plan permits the City to make amendments to the Plan from time to time. Accordingly, effective March 5, 2012, the City hereby amends the Plan to provide as follows:

**1. Section Number 4.02 (Money Purchase Contributions) is amended by revising the Section to read as follows:**

**4.02-1** Subject to Section 4.03, the Employer shall make a Money Purchase contribution of 6 percent of Compensation earned as a Qualified Employee for each Allocation Period. For purposes of this Section, the term Allocation Period shall mean a period of 12 consecutive months or less for which an Employer contribution is made and allocated under the terms of the Plan.

**4.02-2** Subject to Section 4.03, the Employer shall make an additional matching Money Purchase contribution, as follows, for each non-collectively bargained Qualified Employee hired on or after March 5, 2012. Such contributions shall be matching contributions and made to this Plan only on account of a Qualified Employee's Elective Deferrals and/or Voluntary Employee Contributions made by such Participant to this Plan or the City of Newport 457(b) Plan.

- (a) **Contribution Formula.** Except as otherwise provided in this Section, the Employer will make a matching contribution for any Allocation Period equal to 100 percent of each Qualified Employee's Elective Deferrals and/or Voluntary Employee Contributions, not to exceed, for any Allocation Period, 3 percent of his or her Compensation.
- (b) **True-ups.** If (1) the Allocation Period for matching contributions is a computation period that is less than the Plan Year, and (2) on the last day of any Plan Year, the dollar amount of the matching contributions made on behalf of a Qualified Employee is less than the dollar amount that would have been made had the matching contributions been contributed for an Allocation Period of a Plan Year, then the Employer may elect, pursuant to the Employer's discretion, for any Plan Year to make an additional matching contribution so that the matching contribution contributed for a Qualified Employee is equal to the matching contribution that would have been made had the matching contribution been contributed for an Allocation Period of the Plan Year.
- (c) **Excess Elective Deferrals and Excess Contributions Not Required to Be Matched.** Notwithstanding the above, to the extent matching contributions are contributed on an annual basis, no matching contributions will be required with respect to that portion of an Elective Deferral which for that Plan Year is determined to be either an Excess Elective Deferral or an Excess Contribution.

**4.02-3** Compensation shall be as defined in 4.01-1(b). For a new participant, the contribution shall be based on Compensation for the partial plan year after participation starts.

**4.02-4** Employer shall make additional Money Purchase contributions as follows for a Participant who returns from military leave under 3.03-2(c):

- (a) The additional Money Purchase contribution shall be determined separately with respect to each plan year during which the participant was absent on military leave.
- (b) The additional Money Purchase contribution with respect to a year during any period of absence for military leave shall equal the amount of additional Money Purchase contribution that would have

been made on behalf of the participant for the plan year if the Compensation imputed under 4.01-3 had been paid during the period of absence.

- (c) The additional Money Purchase contribution shall be subject to the limit in 4.03 that applied to the plan year for which the additional contribution is made.

2. **Section Number 6.01 (Entitlement; Retirement Dates; Participation After Mandatory Benefit Starting Date) is amended by revising section 6.01-1 to read as follows:**

**6.01-1** Qualified Employees hired before March 5, 2012 shall be entitled to benefits on retirement under this Section 6. Effective March 5, 2012, all non-collectively bargained employees hired on or after March 5, 2012 shall not be entitled to benefits on retirement under this Section 6. Such employees shall continue to be Qualified Employees for the purpose of receiving benefits under Section 4 of this Plan if they meet all other eligibility and participation requirements of the Plan.

3. **Section Number 4.01-1(b) is amended to read as follows:**

**4.01-1(b)** For allocation of Money Purchase contributions under 4.02-1 and 4.02-2, the limit on voluntary contributions under 4.06-1, and the determination of Average Monthly Earnings under 6.02-3, Compensation means the amount under (a) above, adjusted as follows:

**IN WITNESS WHEREOF**, the Employer has caused this Amendment No. 2 to be executed this 5<sup>th</sup> day of March, 2012.

**CITY OF NEWPORT**

By: Mark McConnell  
Mark McConnell, Mayor

**ATTEST:**

Margaret M. Hawker  
Margaret M. Hawker, City Recorder

March 5, 2012

**NOTICE OF AMENDMENT TO THE  
CITY OF NEWPORT EMPLOYEES' RETIREMENT PLAN**

This notice is to inform you that the City of Newport Employees' Retirement Plan (the "Plan") has been amended, effective March 5, 2012. The Plan has been amended to provide that certain employees hired on or after March 5, 2012, will not be eligible to participate in the Defined Benefit portion of the Plan.

Please be assured that the Plan amendment described above only affects employees hired on or after March 5, 2012. If you were hired before March 5, 2012, and are currently accruing benefits under the Defined Benefit portion of the Plan, you will continue to accrue these benefits. If you were hired before March 5, 2012, and you are not currently accruing benefits under the Defined Benefit portion of the Plan because you have not met the Plan's eligibility requirements, you will enter the Defined Benefit portion of the Plan as a participant once you have met the eligibility requirements of the Plan and will begin accruing benefits at that time.

If you have any questions concerning this notice, please contact David Marshall, Finance Director at 541.574.0610. In the event of any discrepancy between this notice and the Plan document, the Plan document will govern. In addition, the City of Newport reserves the right to amend, curtail or terminate any portion or portions of the Plan at any time.

Plan Number: 001

Plan Sponsor: City of Newport

Employer Identification Number: 93-602222

Plan Administrator: City Finance Director  
169 SW Coast Hwy  
Newport, Oregon 97365  
541-574-0603