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September 12, 2024

MEMORANDUM VIA E-MAIL
(pconner@cityofpowdersprings.org)

TO: Ms. Pamela Conner
City Manager

FROM: Ms. Gwin Hall
Senior Associate General Counsel

SUBJECT: Action Required: Georgia Municipal Employees Benefit System Defined Benefit Retirement Plan Restatement

The City of Powder Springs previously adopted the Georgia Municipal Employees Benefit System (“GMEBS”) Defined Benefit Retirement Plan (“Plan”), which is comprised of the Basic Plan Document, Adoption Agreement, and General Addendum. The Plan is considered a “qualified plan” under the Internal Revenue Code, which is important to ensure the tax-exempt status of the trust fund.

To protect the Plan’s tax-qualified status, GMEBS filed draft restated Plan documents, updated to include recent amendments and comply with changes in federal tax law, with the IRS on June 29, 2022. On August 31, 2023, the IRS issued a favorable opinion letter (“IRS opinion letter”) for the restated Plan documents. The IRS opinion letter provides assurance to employers providing retirement benefits for their employees through the GMEBS Plan that GMEBS is maintaining a qualified pension benefit program that allows employees to accrue benefits tax-free until retirement benefits are distributed to them.

To ensure continued tax-qualified status for all GMEBS-member retirement plans, all participating employers must readopt their plans using the most recent IRS-approved document templates. To this end, we have completed the attached Adoption Agreement and General Addendum, which include the benefit and eligibility provisions that you currently have in place, for the city’s approval.

If the draft documents are acceptable, please have the designated representatives sign and date where indicated (Adoption Agreement, p. 37, and General Addendum, p. 2). Next, please scan and email the documents to Gina Gresham at [REDACTED] no later than **November 11, 2024**. We will then countersign the documents and return electronic copies to you. Please note, GMEBS will not execute documents that have been edited by the city. If the documents require revisions, please let us know before adopting them.

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The draft documents will take effect on the date of their approval by the city. **Please note that per O.C.G.A. § 47-5-40, the Adoption Agreement has been drafted in the form of an ordinance.**

Please note the General Addendum contains certain provisions (Section 16) which do not fit squarely within the standard GMEBS General Addendum format. Thus, it will be necessary to file the city's Plan with the IRS for a separate opinion letter. Following the city's approval of the enclosed restated Plan documents, we will work with GMEBS's tax counsel to prepare the IRS filing documents for the city's signature.

We have also attached a copy of the restated Basic Plan Document and Amendment 1, which do not need to be adopted by the city. Finally, we have included a summary of key amendments to the Plan relating to the restatement.

As a final note, we understand the city may be considering a Plan amendment. Since the city's Plan needs to be filed with the IRS to complete the restatement process, we ask that the city adopt the restated Plan documents in advance of amending the Plan. If the city desires to amend the Plan, we will provide amended Plan documents at a later date.

If you have any questions about the contents of this letter or require further information, please contact Gina Gresham.

Encl.

C: Mr. Richard Calhoun, City Attorney, City of Powder Springs (w/ encl.)
Ms. Marinetty Bienvenu, Director, Retirement Quality Assurance (w/o encl.)
Ms. Michelle Warner, Director, GMEBS Retirement and DC Programs (w/o encl.)
Mr. Kevin Jeselnik, Assistant General Counsel (w/o encl.)