

RESOLUTION 2010-69

**A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN FOR THE
CITY OF FRANKLIN, ESTABLISHING A NEW RETIREMENT PLAN FOR
EMPLOYEES HIRED ON OR AFTER FEBRUARY 15, 2010**

WHEREAS, the City of Franklin Employees' Pension Plan was closed to new employees effective February 15, 2010, and

WHEREAS, it is in the interest of the City and its employees to maintain a pension plan that is financially viable, predictable, and sustainable over the careers of the covered employees, and

WHEREAS, it is in the interest of the City and its employees to provide a retirement plan that helps attract and retain quality employees.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Aldermen for the City of Franklin as follows:

Section 1. The City of Franklin Revised Employee Pension Plan is opened to employees hired on or after February 15, 2010.

Section 2. Employees hired on or after February 15, 2010 are allowed to enroll in one of two options: Option 1 is the City of Franklin Employee Pension Plan, per the terms described below; Option 2 is a new defined contribution plan sponsored by the City.

Section 3. Employees hired on or after February 15, 2010 who choose to enroll in the City of Franklin Employee Pension Plan must contribute 5% of their gross wages to the Plan.

Section 4. Employees hired on or after February 15, 2010 who choose to enroll into the City's Defined Contribution Plan shall contribute a minimum of 5% up to a maximum of 8% of their gross wages into their individual defined contribution account. The City of Franklin shall match the employee's contribution at a one to one ratio for a minimum of 5% up to a maximum of 8% of the employee's gross wages. Any matching dollars provided by the City of Franklin will be made available to the employee at vesting.

Section 5. The vesting period for both the City of Franklin Employee Pension Plan and City of Franklin Defined Contribution Plan is five (5) years.

Section 6. At the time of vesting, employees enrolled in the City of Franklin Defined Contribution Plan may elect to convert their individual defined contribution account to the equivalent accrued benefit under the City of Franklin Employee Pension Plan. If an employee elects this option, they may purchase up to five

(5) years of credited service in the City of Franklin Employee Pension Plan. This is a one-time irrevocable election .

Section 7. The Early Retirement Option of age 62 with 20 years of service shall be removed from the City of Franklin Employee Pension Plan with respect to employees hired on or after February 15, 2010.

Section 8. The "Final Average Compensation" used in the City of Franklin Employee Pension Plan shall be modified to an average of five (5) consecutive years of the last ten (10) years worked with respect to employees hired on or after February 15, 2010.

Section 9. That this Resolution shall be effective upon adoption.

IT IS SO RESOLVED AND DONE on this _____ day of _____, 2010.

ATTEST:

CITY OF FRANKLIN, TENNESSEE

By: _____

**Eric Stuckey
City Administrator**

By: _____

**John C. Schroer
Mayor**