

AN ORDINANCE OF THE CITY OF BETHANY, OKLAHOMA

ORDINANCE NO. 2089

AN ORDINANCE AMENDING THE EMPLOYEE RETIREMENT SYSTEM, **DEFINED BENEFIT PLAN FOR THE CITY OF BETHANY**, OKLAHOMA; PROVIDING RETIREMENT BENEFITS FOR ELIGIBLE EMPLOYEES OF THE **CITY OF BETHANY**, OKLAHOMA; **PROVIDING FOR VESTING SCHEDULE**; PROVIDING FOR EMPLOYER PICKUP OF MANDATORY CONTRIBUTIONS; PROVIDING FOR REPEALER AND SEVERABILITY.

BE IT ORDAINED BY CITY COUNCIL OF THE **CITY OF BETHANY**, OKLAHOMA.

Section 1. AMENDATORY. The Employee Retirement System, **Defined Benefit Plan, of the City of Bethany**, Oklahoma, is hereby amended as reflected on the attached Exhibit "A", which is incorporated herein and adopted by reference. These amendments shall become effective on **April 1, 2026**.

Section 2. EXECUTION AUTHORIZATION. The City Clerk and Mayor be and they are hereby authorized and directed to execute the amended Retirement System Plan documents and to do all the other acts necessary to put said amendment into effect and to maintain IRS qualification of the Plan. The executed amended document attached hereto as Exhibit "A" is hereby ratified and confirmed in all respects.

Section 3. SPECIAL INCOME TAX TREATMENT FOR CONTRIBUTIONS UNDER IRC414. The Plan contains provisions which are intended to constitute a pick-up program by the Employer which satisfies the requirements of section 414(h)(2) of the Internal Revenue Code of 1986 (the "Code"); and the Plan, be, and it is, approved and adopted as of the date therein stated; and Mandatory Contributions (as defined in the Plan) are designated "picked-up" by the employer so as to not be included in Plan Participants' gross income for Federal income tax purposes as provided in Section 414(h)(2) of the Code. All Mandatory Contributions are to be paid by the employer in lieu of contributions by the Plan Participant. No Participant in the Plan shall have the option of choosing to receive the amounts of Mandatory Contributions directly in lieu of having such amounts paid by the employer to the Trustees of the Plan.

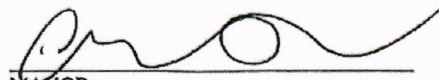
Section 4. SEVERABILITY. If, regardless of cause, any section, subsection, paragraph, sentence, or clause of this ordinance, including the System as set forth in Exhibit "A" is held invalid or to be unconstitutional, the remaining sections, subsections, paragraphs, sentences, or clauses shall continue in full force and effect and shall be construed thereafter as being the entire provisions of this ordinance.

Section 5. REPEALER. Any ordinance inconsistent with the terms and provisions of this ordinance is hereby repealed; provided, however, that such repeal shall be only to the extent of such inconsistency and in all other respects this ordinance shall be cumulative of other ordinances regulating and governing the subject matter covered by this ordinance.

END

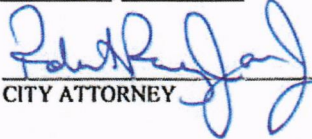
The foregoing ordinance was introduced before the City of Bethany on the 3rd day of March, 2026, and was duly adopted and approved by the Mayor and City Council on the 3rd day of March, 2026, after compliance with notice requirements of the Open Meeting Law (25 OSA, Section 301, et seq.).

City of Bethany


MAYOR

ATTEST: 
CITY CLERK


Approved as to form and legality on March 4, 2026.


CITY ATTORNEY



The foregoing ordinance was introduced before the City of Bethany on the 3rd day of March, 2026, and was duly adopted and approved by the Mayor and City Council on the 3rd day of March, 2026, after compliance with notice requirements of the Open Meeting Law (25 OSA, Section 301, et seq.).

City of Bethany


MAYOR

ATTEST: 
CITY CLERK

Approved as to form and legality on _____, _____.

CITY ATTORNEY



3. Eligibility.

Eligible Employees shall commence participation in the Plan: (Select only one)

- month(s) (any number of months up to twelve consecutive) after the Employee's Employment Commencement Date or the date the individual meets the definition of Employee in Section 2 hereof, provided that the individual has met the definition of Employee in Section 2 hereof throughout such period.
- On the Employee's Employment Commencement Date.

4. Definition of Compensation.

Compensation shall exclude the item(s) listed below:

- No exclusions.
- Overtime pay. Bonuses.
- Commissions. Longevity pay. Severance pay.
- Accrued vacation or sick leave paid upon termination of employment and moving expenses.
- Fringe benefits, expense reimbursements, deferred compensation and welfare benefits.
- Other: [must be definitely determinable]

5. Average Monthly Compensation.

The considered period for purposes of the definition of "Average Monthly Compensation" in Section 2.1 of the Plan is:

- sixty (60) consecutive months.
- thirty-six (36) consecutive months.

6. The Employer hereby elects the following Plan design:

- Mandatory Contribution Option.** A Participant shall be required to contribute to the Plan for each Plan Year the percentage of his Compensation ("Mandatory Contributions") required by the Plan in Section 8 of this Joinder Agreement. Mandatory Contributions shall be made by payroll deductions. A Participant shall authorize such deductions in writing on forms approved by, and filed with, the Committee.

If the Participant's Mandatory Contributions pursuant to the preceding paragraph are to be taxed deferred:

- Pick Up Option.** The Employer hereby elects to have the provisions of Section 3.4 of the Plan apply. The Employer shall pick up and pay the percentage of each Participant's Compensation required to be contributed as of **October 1, 1989** [insert date] in lieu of contributions by the Participant. No Participant shall have the option of receiving the contributed amounts directly as Compensation.

- Non-Contributory Option.** Participants shall not be required nor permitted to contribute to the Plan.

7. A. Payment Options. The Employer hereby elects the following minimum number of payments for employees eligible to receive benefits under Article IV of the Plan:

- Sixty (60) monthly payments.
- One hundred and twenty (120) monthly payments.

B. Plan Options. The Employer hereby elects the following plan designation and percentage used in calculating benefits under Section 5.1 of the Plan.

- Plan AAA – 3.00% with no maximum Years of Service
- Plan AAA – 3.00% recognizing a maximum of 22 Years of Service
- Plan AA 2.625% Plan BB 2.25% Plan CC 1.875%
- Plan A 1.50% Plan B 1.125% Plan C .75%

C. Normal Retirement Age. Normal retirement age shall be:

- age 65 with completion of five (5) Years of Service
- The earlier of (i) and (ii) as follows:
 - (i) age 65 with completion of five (5) Years of Service
 - (ii) the later of (a) or (b), where (a) and (b) are as follows:
 - (a) age 62 _____
 - (b) the age at which the Participant has completed 30 Years of Service.
 - the age at which the Participant has completed _____ Years of Service

Examples: An employee hired at age 20 who worked for 30 years and terminated at age 50 would be entitled to unreduced payments at age 62.

An employee hired at age 30 who worked for 25 years and terminated at age 55 would be entitled to unreduced payments at age 65.

- Modified Rule of 80:**
The earlier of (i) and (ii) as follows:
 - (i) age 65 with completion of five (5) Years of Service
 - (ii) the later of age 55 and the age at which the sum of the Participant's age in completed years and the participant's number of completed Years of Service in the Fund total 80 or greater. To be eligible, the Participant's age plus Years of Service in the Fund must be at least 80 prior to termination of employment (or, after termination of employment in the case of a Participant who transfers to another Municipality in accordance with Section 8.1(b) of the Plan).

- Examples:**
1. An employee hired at age 30 who worked for 25 years and terminated at age 55 would be entitled to unreduced payments immediately. Age 55 plus 25 years equals 80.
 2. An employee hired at age 20 who worked for 30 years and terminated at age 50 would be entitled to unreduced payments at age 55. The employee has age plus Years of Service points at age 50 but the minimum age for payment is 55.
 3. An employee hired at age 25 who worked for 25 years and terminated at age 50 would be entitled to unreduced payments at age 65. Age 50 plus 25 years is less than 80, so the Normal Retirement Age is 65.

[Note: The Normal Retirement Age of an employer's plan must comply with the final NRA regulations under Treas. Reg § 1.401(a)-l(b) applicable to governmental pension plans effective for employees hired during plan years beginning on or after the close of the first regular legislative session of the legislative body with the authority to amend the plan that begins on or after the date that is three (3) months after the final regulations are published in the Federal Register.]

- D. Vesting Options.** The Employer hereby elects the following vesting option to determine an Employee's eligibility to receive retirement benefits.
 - Ten Year Cliff Vesting Schedule
 - Seven Year Cliff Vesting Schedule**
 - Five Year Cliff Vesting Schedule
- E. Service Credit Prior to Effective Date.** The Employer hereby elects to include the following limitation of service prior to the effective date.
 - No limitation
 - For all purposes under the Plan
 - With respect to Service for purposes of vesting and attainment of Normal Retirement Age
 - Service credit prior to the effective date shall not exceed years
 - For all purposes under the Plan
 - With respect to Service for purposes of benefit accruals.
- F. Service Buyback.** The Employer hereby elects
 - No service buyback pursuant to Section 10.10 of the Plan
 - The service buyback provisions of Section 10.10 of the Plan.
- G. Service for Worker's Compensation Period.** If a Participant is on an Authorized Leave of Absence and is receiving worker's compensation during such Authorized Leave of Absence, such Participant
 - shall be credited with Service for such period for purposes of vesting only and not for purposes of benefits, but no Employee contributions shall be made with respect to the Participant for such period.
 - shall not be credited with Service for such period.
- H. Determination of Service for City Inspector.** Any Participant in the position of City Inspector for the City of Bethany as of February 1, 2010 shall be 100% immediate vested for purposes of calculating benefits under Section 5.1 of the Plan.
- I. Determination of Service for City Manger.** Any Participant in the position of City Manager for the City of Bethany as of December 5, 2023 for the purposes of calculating benefits under Section 5.1 of the Plan, no early retirement reduction shall apply.

8. Contributions by Participants.

If Participants are required to contribute to the cost of providing benefits under this Plan, such contributions shall be based on the plan designation selected in Section 7B above and shall apply to pay periods commencing on and after **July 1, 2020**.

a. The Participant contribution formula in Section 3.3 of the Plan shall use the following percentage for the Plan Option selected in Section 7B of this Joinder Agreement:

Plan AAA – 6.00%

Plan AA - 5.25% Plan BB - 4.50% Plan CC - 3.75%

Plan A – 3.00% Plan B - 2.25% Plan C - 1.50%

b. The contribution formula shall be $\frac{\%}{100}$ [insert number between 0 and twelve] of compensation.

c. The contribution as annually determined each year shall be shared by the Participant and Employer as follows: Employee portion $\frac{\%}{100}$ Employer portion $\frac{\%}{100}$
(Participant plus Employer percentages must total 100%.)

The contribution will be actuarially determined based on Plan assets and liabilities as of January 1 of each year as a percent of payroll, which will then be shared between the Employer and Participant as noted above. These contribution rates will be in effect from July 1 of that year until June 30 of the subsequent year.

9. Cost-of-Living Option.

For purposes of adjusting retiree and beneficiary pensions, the Employer hereby elects the following:

No Cost-of-Living Option on Future Service Benefits effective June 30, 2013.

"Future Service Benefits" refer to pension benefits accruals after June 30, 2013.

Cost-of-Living Option. This election applies to Sections 5.1 (Normal Pension), 5.2 (Early Pension), 5.3 (Disability Pension), 5.4 (Deferred Vested Pension), 6.2 (Death Prior to Commencement of Pension), 6.3(a) and 6.3(b) (Death After Commencement of Pension), and 6.4 (Spouse's Pension) and provides annual benefit increases or decreases of the smaller of three percent (3%) or the percentage change in the Consumer Price Index.

The effective date of the Cost-Of-Living Option shall be **July 1, 1973 (the original date that the Employer elected the Cost-of-Living Option) through June 30, 2013 and shall apply for benefit accruals earned through June 30, 2013.**, the original date that the Employer elected the Cost-Of-Living Option.

10. Retiree Plan Improvement Option.

Benefits payable to or on behalf of a former Employee under Article V, Article VI, or Article VII of the Plan, which are due or in the course of payment on or after the Effective Date of this Joinder Agreement, shall

be increased according to the Plan Option elected herein. Such increased benefits shall be reflected in any periodic payments due or paid on or after the Effective Date of the Joinder Agreement. It is not intended for this change to be retroactive and any periodic payments due prior to such date shall not be affected.

be increased by $\frac{\%}{100}$ effective . Such increased benefits shall be reflected in any periodic payments due or paid after such date. It is not intended for this change to be retroactive and any periodic payments due prior to such date shall not be affected.

not be increased unless such former Employee is subject to Section 10.8 or 10.9 of the Plan, but shall continue to be paid under the terms of the Previous Plan.

11. Limitations on Optional Benefit Forms.

Section 7.2 of the Plan provides for a lump sum payment form, an installment payment form that would be payable over a fixed number of years (at which time all payments would cease), or the purchase of an insured annuity. The Employer hereby elects the following:

Optional benefit forms under Section 7.2 of the Plan will not be permitted.

Optional benefit forms under Section 7.2 of the Plan will be permitted, subject to Retirement Committee approval for any such elections by a Participant, subject to the following limitation(s):

None

(The above election has no effect on the joint and survivor optional benefit forms under Section 7.1).

12. Defined Contribution Option.

Not applicable as of July 1, 2020.

(All prior balances under the Defined Contribution Option will remain in place as described below, but no additional employee contributions will be added as of July 1, 2020.)

Participant shall be entitled to the benefit under this option as described in Sections 3.6 and 6.8 of the Oklahoma Municipal Retirement Fund Master Defined Benefit Plan, in addition to the benefit determined according to Section 7B. Each Participant shall be required to contribute to the Plan 1.40% of his or her Compensation. Those contributions shall be picked up and assumed by the Employer and paid to the Fund in lieu of contributions by the Participant. No Participant shall have the option of receiving the contributed amounts directly as Compensation.

This option shall be effective July 1, 1994 through June 30, 2020 [include the earlier of the date this Option was originally adopted in a Joinder Agreement or the date of adoption in the current Plan Year].

13. The Employer has consulted with and been advised by its attorney concerning the meaning of the provisions of the Plan and the effect of entry into the Plan.

IN WITNESS WHEREOF the City of Bethany has caused its corporate seal to be affixed hereto and this instrument to be duly executed in its name and behalf by its duly authorized officers this 3rd day of March, 2024.

City of Bethany

By: _____

Title: _____

[Handwritten signature]
Mayor

Attest: _____

[Handwritten signature]

Title: _____

Finance Director/City Clerk

(SEAL)



The foregoing Joinder Agreement is hereby approved by the Oklahoma Municipal Retirement Fund this

_____ day of _____, _____.

OKLAHOMA MUNICIPAL RETIREMENT FUND

By: _____

Title: _____

Attest:

Secretary

(SEAL)

Required Disclosures. This Joinder Agreement is to be used only with the Oklahoma Municipal Retirement Fund Master Defined Benefit Plan. Failure to properly complete this Joinder Agreement may result in failure of the Plan to qualify under Code Section 401(a). In accordance with IRS Rev. Proc. 2017-41, the Provider (as defined in Rev. Proc. 2017-41) who has obtained Internal Revenue Service approval of the Oklahoma Municipal Retirement Fund Master Defined Benefit Plan has authority under the Plan document to amend the Plan on behalf of adopting employers for certain changes in the Code, regulations, revenue rulings, other statements published by the Internal Revenue Service, including model, sample or other required good faith amendments. The Provider will inform adopting employers of any such amendments or of the discontinuance or abandonment of the Pre-Approved Plan document. The name, address and telephone number of the Provider are: McAfee & Taft A Professional Corporation, 8th Floor, Two Leadership Square, 211 N. Robinson, Oklahoma City, OK 73102, telephone (405) 552-2231. Any inquiries by the adopting employer regarding the adoption of the Plan, the meaning of Plan provisions, or the effect of the Internal Revenue Service advisory letter on the Pre-Approved Plan may be directed to the Provider.

Reliance on Sponsor Opinion Letter. The Provider has obtained from the IRS an Opinion Letter (as defined in Rev. Proc. 2017-41) specifying the form of this Joinder Agreement and the basic plan document satisfy, as of the date of the Opinion Letter, Code §401. An adopting Employer may rely on the Preapproved Plan Sponsor's IRS Opinion Letter only to the extent provided in Rev. Proc. 2017-41. The Employer may not rely on the Opinion Letter in certain other circumstances or with respect to certain qualification requirements, which are specified in the Opinion Letter and in Rev. Proc. 2017-41 or subsequent guidance. In order to have reliance in such circumstances or with respect to such qualification requirements, the Employer must apply for a determination letter to Employee Plans Determinations of the IRS.