

TOWN OF BLOOMFIELD
SUMMARY OF
401a DEFINED CONTRIBUTION PLAN
AND RETIREE BENEFITS
FOR
NONUNION EMPLOYEES

As Approved by the Town Council

On November 14, 2016

Amended and Approved By the Town Council

On May 24, 2021

TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
1. INTRODUCTION AND PURPOSE	
1.1 History of the Plan	1
1.2 Purpose of the Plan	1
2. DEFINITIONS	
2.1 Definitions	1
3. PARTICIPATION	
3.1 Eligibility for Participation	2
3.2 Date of Participation	2
4. CONTRIBUTION PROVISIONS	
4.1 Employer Contributions	2
4.2 Participant Contributions	2
4.3 Contributions to the Participant's 401(a) Account	2
5. PLAN ADMINISTRATOR	
5.1 Appointment and Acceptance	3
5.2 Duties and Responsibilities	3
5.3 Expenses and Assistance	3
5.4 Participants and Others – Data	3
5.5 Resignation or Removal of Plan Administrator	4
5.6 Appointment of Successor Plan Administrator	4
5.7 Plan Administration – Miscellaneous	4
6. AMENDMENT & TERMINATION OF PLAN	
6.1 Amendment – General	5
6.2 Termination of Plan	5

SECTION	PAGE
7. LIFE INSURANCE AND BENEFICIARY PROVISIONS	5
8. RETIREE HEALTH INSURANCE/MEDICARE SUPPLEMENT	
8.1 Health Insurance	5
8.2 Medicare Supplement	6
8.3 Audit of Benefit Eligibility	6
8.4 Employee Contribution to Retiree Medical and Medicare Supplemental Insurance Fund	6
8.5 Employer Contribution Toward Retiree Premium Coverage	6
8.6 Termination of Employment Before Eligible to Retire	6
8.7 Death of Retiree	7

SECTION 1. INTRODUCTION

1.1 History of the Plan

Effective January 3, 2002 the Town of Bloomfield adopted the ICMA Retirement Corporation Governmental Money Purchase Plan & Trust titled Town of Bloomfield Police 401(a) Plan 108120 covering public safety employees. On July 1, 2003, the eligibility group of the Plan was amended to include all full-time employees as well as public safety employees and the title was changed to Town of Bloomfield 401(a) Plan.

The Town of Bloomfield Retirement Income Plan Document as amended and restated effective July 1, 2003 is an employee informational document. It was duplicated, amended and restated for the creation of this document titled Town of Bloomfield Summary of 401a Defined Contribution Plan and Retiree Benefits for Non Union Employees. This plan does not replace the Town of Bloomfield Retirement Income Plan Document as amended and restated effective July 1, 2003.

1.2 Purpose of the Plan

The purpose of the plan is to provide a summary description of the Town's Defined Contribution Plan and other retiree benefits the Town provides its nonunion employees. The Town reserves the right to change the provisions of this document at any time.

SECTION 2. DEFINITIONS

2.1 Definitions

- (a) Employer – Town of Bloomfield
- (b) Effective Date of the Plan – July 1, 2003
- (c) Plan Year – the twelve (12) consecutive month period commencing on January 1 of each year
- (d) Plan Conversion Date – January 1, 2001
- (e) Employee – any full-time nonunion employee in the employ of the Employer whose customary employment is for 35 hours or more per week for 52 weeks per year
- (f) Participant – any Employee who becomes covered under this Plan
- (g) Spouse – the legal spouse of the participant by marriage
- (h) Retiree – a Participant who separates employment with the Town at his/her Normal Retirement Date or Early Retirement Date.
- (i) Participant Contribution – the contribution amount made by the Participant into the 401(a) account through payroll deduction
- (j) Employer Contribution – the contribution amount made the Town of Bloomfield into the Participant's 401(a) account
- (k) Normal Retirement Date – the date on which the employee has attained a combination of credited service and age which total seventy-five (75).
- (l) Early Retirement Date – the date on which the employee has attained the age of 55 and has completed 15 years of credited service or the employee has attained age 62 and has 10 years of credited service
- (m) Retirement Date – the date on which the employee leaves employment with the Town of Bloomfield having met the Normal or Early Retirement criteria

- (n) Service – continuous employment with the Employer. In no event will any Service be counted during which the Participant was eligible to make Participant Contributions under the Plan but did not have a payroll deduction order in effect or was not eligible to participate in the Plan. Service will not be counted for retirement during the following periods of absence but they will not be considered to be an interruption of service:
 - a. Absence from employment for more than one calendar year on account of leave of absence authorized by the Employer pursuant to the Employer's established leave policy, provided that such leave of absence is not of more than two years' duration and provided further that the Employee returns to active service with the Employer at the end of such leave of absence.
- (o) Termination of Employment - a Participant's termination of service for reason other than retirement
- (p) Earnings – total compensation received including regular pay, overtime pay accrued leave payout and bonuses.

SECTION 3. PARTICIPATION

3.1 Eligibility for Participation

Each full-time Employee will be eligible to become a Participant under the Plan beginning on the first day of employment. There is no minimum age requirement.

3.2 Date of Participation

Each eligible Employee shall become a Participant under this Plan when he/she had completed and delivered a 401(a) Enrollment Form to the Employer.

SECTION 4. CONTRIBUTION PROVISIONS

4.1 Employer Contributions

The Employer shall contribute on behalf of each Participant 10.00% of Earnings for the Plan Year subject to Section 415 limits and maximum compensation limits under 401(a)17. The Employer contributions are vested 100% at the time of contribution to the Employee's 401(a) account.

4.2 Participant Contributions

Each Participant is required to contribute 7.00% of Earnings for the Plan year as a condition of participation in the Plan. A Participant shall not have the right to discontinue or vary the rate of such contributions after becoming a Plan Participant.

4.3 Contributions to the Participant's Account

Employer and Participant contributions shall be contributed to the Employee's 401(a) account on a bi-weekly payment schedule.

Employer and Participant contributions shall be contributed to the Employee's 401(a) account at the time of payment for unused accrued leave.

SECTION 5. PLAN ADMINISTRATOR

5.1 Appointment and Acceptance

The Employer shall appoint a Plan Administrator by designating either an individual to act in this capacity or an office or position whose occupant will act in this capacity. The person designated as the Plan Administrator shall signify acceptance of this position in writing.

5.2 Duties and Responsibilities

The Plan Administrator shall administer the Plan on behalf of the Employer in a nondiscriminatory manner for the exclusive benefit of Participants and their Beneficiaries.

The Plan Administrator shall perform all such duties as are necessary to administer and manage the Plan in accordance with the terms thereof, including but not limited to the following:

- a. to determine all questions relating to a Participant's coverage under the Plan;
- b. to maintain all necessary records for the administration of the Plan;
- c. to compute and authorize benefit payments to Participants and Beneficiaries;
- d. to interpret and construe the provisions of the Plan and to make regulations which are not inconsistent with the terms thereof; and
- e. to advise or assist Participants regarding any rights, benefits or elections available under the Plan.

The Plan Administrator shall take such actions as are necessary to establish and maintain the Plan as a retirement program which is at all times in full and timely compliance with any law or regulation having pertinence to this Plan. The Employer shall grant to the Plan Administrator all reasonable powers necessary or appropriate to accomplish the duties of Plan Administrator.

5.3 Expenses and Assistance

All reasonable expenses necessary to operate and administer the Plan shall be borne by the Employer. The Employer shall furnish the Plan Administrator with such clerical and other assistance as is required in the performance of his/her duties.

5.4 Participants and Others – Data

Upon request from the Plan Administrator or his/her designee, Participants and other persons affected by the Plan shall furnish documents, evidence or information which the Plan Administrator considers necessary or desirable for the purpose of administering the Plan. The Plan Administrator may cause to

be withheld any benefit otherwise due the Participant or other person until the required document, evidence or other information is provided.

5.5 Resignation or Removal of Plan Administrator

The Plan Administrator may resign at any time by delivering to the Employer a written notice of resignation, to take effect at a date specified therein. Such date should not be less than 30 days after the delivery of the resignation unless waived by the Employer.

The Plan Administrator may be removed with or without cause by the Employer through delivery to him/her of written notice of removal to take effect at a date specified therein.

5.6 Appointment of Successor Plan Administrator

In the event the office of Plan Administrator is vacant, the Employer shall promptly designate a successor Plan Administrator who must signify acceptance of this position in writing. In the event no successor is appointed, the Board of Directors or other governing body of the Employer shall function as the Plan Administrator until a new Plan Administrator has been appointed and has accepted such appointment.

5.7 Plan Administration – Miscellaneous

- a. **Filing a Claim for Benefits.** A Participant or Beneficiary shall notify the Plan Administrator of a claim for benefits under the Plan. Such request may be in any form adequate to give reasonable notice to the Plan Administrator and shall set forth the basis of such claim and shall authorize the Plan Administrator to conduct such examinations as may be necessary to determine the validity of the claim and to take such steps as may be necessary to facilitate the payment of any benefits to which the Participant or Beneficiary may be entitled to under the Plan.
- b. **Denial of Claim.** Whenever a claim for benefits by any Participant or Beneficiary has been denied, written notice prepared in a manner calculated to be understood by the Participant will be provided, setting forth the specific reasons for the denial and explaining the procedure for an appeal and review of the decision by the Plan Administrator.
- c. **Governing Law.** The Plan and any amendments shall be in compliance with all Federal and Connecticut State Laws governing municipal retirement plans.
- d. **Reference to Laws.** Any reference to any section of the Federal Internal Revenue Code or any other statute or law shall be deemed to include any successor statute or law of similar import
- e. **Limitation.** Participation in the Plan shall not grant any Participant the right to be retained in the service of the Employer or any other rights other than those to which he is entitled under relevant law or regulations.

SECTION 6. AMENDMENT AND TERMINATION OF PLAN

6.1 Amendment – General

The Employer reserves the right to amend or modify the Plan in whole or in part from time to time. No such action shall adversely affect the accrued benefits of Participants, provided, however, that the Employer may make any amendment or modification of retroactive effect, if necessary) to establish and maintain the Plan's qualification under Section 401(a) of the Federal Internal Revenue Code.

6.2 Termination of Plan

The Employer intends to continue the Plan indefinitely but reserves the right to terminate it at any time. The date when the Plan is terminated shall be referred to in this Section as the Plan Termination Date.

SECTION 7. LIFE INSURANCE AND BENEFICIARY PROVISIONS

Employees hired on or after July 1, 2011 are not entitled to retiree life insurance.

The Employer will provide \$75,000 in group life insurance for eligible persons who retire from the Town on or after the Normal or Early Retirement Date.

A life insurance benefit shall be paid to the Beneficiary most recently designated by the Participant, if then living. If a designated Beneficiary is not living at the time of payment or if no Beneficiary has been designated, the benefit shall be paid to the Participant's Widow or Widower, if living, otherwise, in equal shares to surviving children of the Participant. In the event none of the above named individuals survives the Participant, the benefit shall be paid to the executor or administrator of the Participant's estate.

SECTION 8. RETIREE HEALTH INSURANCE/MEDICARE SUPPLEMENT

8.1 Health Insurance

Employees hired on or after July 1, 2021 are not eligible for retiree health insurance.

Each eligible Employee who retires on or after the Normal or Early Retirement Date and who has contributed to the retiree medical fund in accordance with Section 8.4 below for a minimum of ten (10) years is eligible for retiree medical insurance.

The Employer shall make the same medical coverage available to eligible retirees that is available to active employees. This coverage shall be provided from the date of retirement until the first date the Retiree and/or Spouse becomes eligible for Medicare or some other national health insurance benefit of a comparable nature from or through another employer of the Retiree or the Retiree's Spouse.

8.2 Medicare Supplement

Upon reaching age 65, the eligible Retiree will be provided with a Medicare supplement. The supplemental Medicare insurance shall be Blue Cross/Blue Shield Medicare Policy 65 High Option and 65 Plan 81 or their equivalent. The Retiree's Spouse shall also be provided with a Medicare supplement when the Spouse reaches age 65.

8.3 Audit of Retiree Eligibility for Benefits

Annually or every other year, the Town will conduct an audit of all Retirees and their Spouses to determine if the Retiree is eligible to receive comparable medical and/or life insurance benefits through his/her employer or through his/her Spouse's employer. This comparability analysis will be conducted by the insurance broker that represents the Town. If it is determined that an Employee or his/her Spouse has comparable benefits, benefits will be discontinued until such time the Employee or his/her Spouse is no longer eligible to receive the comparable benefits, at which time the benefits in effect for Retirees will be reinstated.

8.4 Employee Contribution to Retiree Medical and Medicare Supplemental Insurance Fund

Each Employee hired on or before June 30, 2015 shall contribute one and one-quarter percent (1.25%) of his/her base pay to the retiree medical fund. Each Employee hired July 1, 2015 through June 30, 2021 shall contribute three and one-half percent (3.5%) of his/her base pay to the retiree medical fund. The Employer shall use this dedicated amount to support a fund to assist in providing for Retiree medical and Medicare supplement. Employees hired July 1, 2021 or later are not eligible for retiree medical and will not contribute to the fund.

8.5. Employer Contribution Toward Premium Coverage

For employees hired on or before June 30, 2011, the Town shall pay one hundred percent (100%) of the premium coverage for the Retiree, the Retiree's Spouse and the Retiree's dependents up to age 26.

For employees hired ~~on or after~~ July 1, 2011 through June 30, 2021, the Town shall pay one hundred percent (100%) of the premium coverage for the Retiree, the Retiree's Spouse and the Retiree's dependents up to age 26 for the first two (2) years of retirement. Beginning on the third (3rd) year, the Town will pay one hundred percent (100%) for the Retiree and the Retiree's Spouse and the Retiree will pay fifty percent (50%) of the premium coverage for dependents up to age 26.

8.6 Termination of Employment Before Eligible to Retire

Any Participant who terminates employment with the Employer before the Participant is eligible to retire shall have any contributions made to the retiree health and Medicare fund which were deducted from wages returned along with credited interest.

Contributions returned to employees are refunded as allowed under the IRS pretax regulations.

8.7 Death of Retiree

Upon the death of a Retiree, the Spouse will continue to receive health insurance in compliance with Sections 8.1. Benefits will end when the Spouse remarries. Dependents of the deceased Retiree who are benefit eligible will receive benefits in compliance with Sections 8.1 until age 26.



Philip Schenck, Jr., Interim Town Manager



5/24/04

Date