

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

A RESOLUTION FOR THE PURPOSE OF ) RESOLUTION NO. 82-365  
AMENDING THE METROPOLITAN SERVICE) Submitted by the Council  
SERVICE DISTRICT DEFERRED ) Coordinating Committee  
COMPENSATION PLAN )

WHEREAS, The Metropolitan Service District Deferred Compensation Plan (previously the Columbia Region Association of Governments Deferred Compensation Plan) was adopted by CRAG Resolution No. BD 781203 on December 21, 1978; and

WHEREAS, Employee participation in said plan was and has been a condition of employment for most regular employees; and

WHEREAS, The Council has previously approved a new retirement program in lieu of salary increases, which approval included agreement that employee participation in the Deferred Compensation Plan would be converted from a condition of employment to voluntary participation; and

WHEREAS, Other modifications and revisions to the plan are deemed advisable; now, therefore,

BE IT RESOLVED,

That the Metropolitan Service District Deferred Compensation Plan is hereby amended, effective immediately, as indicated in the attached copy of the plan (underlined language added and bracketed language deleted).

ADOPTED by the Council of the Metropolitan Service District this 28th day of October, 1982.

  
\_\_\_\_\_  
Presiding Officer

CONSIDERATION OF RESOLUTION NO. 82-365, AMENDING  
THE METRO DEFERRED COMPENSATION PLAN TO ALLOW  
HARDSHIP WITHDRAWALS, TO MAKE PLAN PARTICIPATION  
VOLUNTARY, AND TO MAKE OTHER MINOR CHANGES

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Date: October 14, 1982      Presented by: Dick Karnuth

FACTUAL BACKGROUND AND ANALYSIS

This proposal is to amend the current Metro Deferred Compensation Plan in three respects:

- a. To provide for withdrawals of money from participant's accounts to meet emergency or hardship financial needs.
- b. To convert the Plan from mandatory to voluntary participation consistent with the Council's previous ruling to that effect.
- c. To make minor housekeeping and editorial changes in the Plan.

Currently, the Plan does not provide for withdrawals from the Plan for hardships. Such withdrawals are not uncommon in such Plans. Also, a specific request for a withdrawal has been filed and will be processed if the Plan is amended.

The Council effectively converted the Plan from mandatory to voluntary participation as part of the FY 82 COLA settlement. Changing the Plan language now is a formality.

Other proposed Plan amendments are mere language clarifications.

POLICY/BUDGET IMPACT

The only impact of the hardship withdrawal proposed is to decrease the fund balance in the Plan. If such withdrawals are carefully regulated, the impact is minimal. If withdrawals were extensive, fund depletion could affect earned interest rates. The proposal has been drafted to restrict withdrawals.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of the proposal to clean up the Plan and to provide Plan flexibility.

COMMITTEE CONSIDERATION AND RECOMMENDATION

On October 18, 1982, the Council Coordinating Committee unanimously approved passage of Resolution No. 82-365.

AJ:ef  
10/14/82

[COLUMBIA REGION ASSOCIATION OF GOVERNMENTS]  
METROPOLITAN SERVICE DISTRICT

DEFERRED COMPENSATION PLAN

I. INTRODUCTION

[The Columbia Region Association of Governments hereby establishes the Columbia Region Association of Governments] This plan shall be known as the Metropolitan Service District Deferred Compensation Plan, hereinafter referred to as the "Plan," the purpose of which is to provide for monthly payments on retirement, as well as death benefits in the event of death before or after retirement, for Metro employees.

Nothing contained in this plan shall be deemed to constitute an employment agreement between the Participant and the [Columbia Region Association of Governments], Metropolitan Service District, nor shall be deemed to give a Participant any right to be retained in the employ of the [Columbia Region Association of Governments] Metropolitan Service District. Nothing herein shall be construed to modify the terms of any employment agreement between a Participant and the [Columbia Region Association of Governments] Metropolitan Service District as this Plan is intended to be a supplement thereto.

II. DEFINITIONS

- 2.01 Compensation: The total annual remuneration for employment received by the Participant from the [Columbia Region Association of Governments] Metropolitan Service District.
- 2.02 Deferred Compensation: The amount of compensation not yet earned which the participant and the organization mutually agree will be reduced[, ] ; however, in accordance with the law, this reduction would be limited to the lesser of 25% of gross pay [not to exceed] or \$7,500, except that in a Participant's final three years prior to normal retirement, as specified by this plan [or other plans in existence], the reduction may exceed the above limitation to make up for prior unreduced amounts but in no case will it exceed \$15,000 per year in these final three years.
- 2.03 Retirement: Severance of the Participant's contract or employment with the [Columbia Region Association of Governments] Metropolitan Service District on or after the Participant's 55th birthday by reason other than death.
- 2.04 Beneficiary: Beneficiary or beneficiaries designated by the Participant [is] in his/her agreement with the



[Columbia Region Association of Governments] Metropolitan Service District to defer compensation. If more than one designated beneficiary survives the Participant, payments shall be made equally, unless otherwise provided in the beneficiary designation. Nothing herein shall prevent the Participant from designating primary and secondary beneficiaries.

- 2.05 Termination of Services: The severance of the Participant's contract or employment with the [Columbia Region Association of Governments] Metropolitan Service District prior to his/her 55th birthday by reason other than death.
- 2.06 Participant: Any individual who fulfills the eligibility and enrollment requirements of Article IV[.] and who voluntarily enrolls as a participant.
- [2.07 Mandatory Contribution: An amount of each employees compensation, as set by the Board of Directors, which must be contributed into the plan as a condition of employment.]

### III. ADMINISTRATION

This Plan shall be administered by the Deferred Compensation Committee. The Committee shall represent the [Columbia Region Association of Governments] Metropolitan Service District in all matters concerning the administration of this Plan. The [Columbia Region Association of Governments] Metropolitan Service District shall appoint a Committee of not less than three persons to assist in administering the Plan and they may remove a committee member for any reason by giving him/her ten (10) days written notice, and thereafter fill any vacancies thus created.

The Committee shall have full power and authority to adopt rules and regulations for the administration of the Plan, and to interpret, alter, amend or revoke any rules and regulations so adopted, and to select Insurance carriers licensed to do business in the state of Oregon with whom the [Columbia Region Association of Governments] Metropolitan Service District may enter into such agreements as may be necessary to satisfy the [Columbia Region Association of Governments] Metropolitan Service District obligations under Article V.

### IV. PARTICIPATION IN THE PLAN

- 4.01 Eligibility: Any employee, or officer, whom the [Columbia Region Association of Governments] Metropolitan Service District designates as eligible to participate.

#### 4.02 Enrollment in the Plan:

- (a) An eligible person, with respect to participation commencing in the initial year of the Plan, may become a Participant within a reasonable time after the Plan becomes effective by agreeing to defer compensation not yet earned. Thereafter a new Participant may agree to defer compensation not yet earned, but such agreement must be made within 30 days of hire and shall apply to compensation which is not yet earned.
- (b) At the time of entering into an agreement hereunder to defer compensation or at the time of re-entry following a withdrawal a Participant must agree to defer a minimum amount per year.
- (c) A Participant who defers compensation may not modify such agreement to change the amount deferred except with respect to compensation to be earned in the subsequent calendar year. Any such modification shall have no effect upon compensation deferred up to the date of modification, which shall be payable only as provided in Articles V and VI.
- (d) A Participant may at any time revoke his/her agreement to defer compensation [in excess of the mandatory contribution] by notifying the Committee in writing 30 days prior to the effective date of the termination; however, his/her accrued benefits shall be paid only as provided in Articles V and VI.

#### V. BENEFITS [OF] AT RETIREMENT

5.01 If the Participant continues in the service of the [Columbia Region Association of Governments] Metropolitan Service District until his/her retirement the Committee shall, beginning the 15th day of the month following the date of such retirement, pay to such Participant:

- (a) A fixed monthly lifetime payment equal to the amount which would have been payable under a fixed annuity contract with respect to the Participant for whom such payments are being determined had such a contract been purchased from the insurance company named in the employee's joinder agreement with such annual premium equal to the amount of his/her Deferred Compensation and had the method of payment selected been as specified in the Participation Agreement; or
- (b) A fixed monthly lifetime payment equal to the amount which would have been payable under a life insurance contract with respect to the Participant for whom

such payments are being determined had such a contract been purchased from the insurance company named in the employee's joinder agreement with such annual premium equal to the amount of his/her Deferred Compensation and had the method of payment selected been as specified in the Participation Agreement; or

- (c) Any combination (a) and (b) above, as initially specified in his/her joinder agreement with the [Columbia Region Association of Governments] Metropolitan Service District, providing such election was made before the deferred compensation was earned.
- (d) The method and type of payment contained in this Section 5.01 may only be modified by an individual Participant election made on the Participation Agreement at the time of the election to defer compensation not yet earned.

5.02 Notwithstanding anything which appears in Section 5.01, nothing herein shall require the [Columbia Region Association of Governments] Metropolitan Service District to purchase such contracts, but in the event the [Columbia Region Association of Governments] Metropolitan Service District should purchase such contracts, it shall not be required to exercise any options, election, or right with respect to such contracts, or if it wishes to exercise any such option, election or right under such contracts, it shall not be required to exercise such option, election or right set forth herein.

5.03 Should the Participant die at any time after Retirement whether prior to or after he/she has begun to receive the Retirement payment(s) provided by Section 5.01, his/her designated beneficiary or beneficiaries shall be entitled to receive the balance remaining of such payment(s). If no beneficiary is designated as provided in Article II of this Agreement, or if the designated beneficiary does not survive the period during which such payment(s) are to be made, then the executors or administrators of the Participant shall receive a lump sum amount equal to the current value of such payment(s).

VI. BENEFITS [OF] AT TERMINATION OF SERVICES OR DEATH PRIOR TO RETIREMENT

6.01 In the event the Participant terminates his/her services for reasons other than retirement, the [Columbia Region Association of Governments] Metropolitan Service District shall pay to the Participant, as specified in his/her written agreement with the [Columbia Region Association of Governments] Metropolitan Service District an amount

equal to what would be available under the contracts as described in Article V.

- 6.02 In the event the Participant dies before his/her Retirement or prior to receiving the benefit provided for in Section 6.01, his/her beneficiary or beneficiaries shall be entitled to receive a death benefit equal to that which shall be available under the contracts described in Section 5.01. If no beneficiary is designated as provided in Article II, or if the designated beneficiary does not survive the Participant for a period of 30 days, then the executors or administrators of the Participant shall receive the benefit in a lump sum.
- 6.03 Notwithstanding any other agreements with the Participant to this Plan, there will be no change in the method or time of receiving benefits under this Plan, nor will there be any possibility of obtaining deferred benefits in any other manner other than as set forth herein.

#### VII. WITHDRAWALS

7.01 Due to unforeseen financial obligations resulting in real emergencies beyond the Participant's control, and after other sources of financial relief have been exhausted, a Participant may apply to the Committee for withdrawal from the Plan prior to retirement or other termination of the Participant's services with the Employer. If such application for withdrawal is approved by the Committee, the withdrawal will be effective at the later of the date specified in the Participant's application or the date of approval by the Committee. The Committee may elect to honor a request from the Participant to pay the amount of money determined as if the Participant had terminated his/her service; if such request by the Participant is made and honored by the Committee, the Committee in its discretion may make payments in a lump sum or in five (5) substantially equal annual installments thereafter. Withdrawals for foreseeable expenditures normally budgetable, such as down payments on a home, or purchase of an auto, or college expenses, will not be permitted. Any amount withdrawn shall at no time be greater than the amount necessary to relieve the unforeseeable financial obligation.

#### [VIII] VIII. LEAVE OF ABSENCE

8.01 If a Participant is on an approved leave of absence from the [Columbia Region Association of Governments] Metropolitan Service District with compensation, his/her participation in this Plan will continue.



8.02 If a Participant is on an approved leave of absence without compensation and such leave of absence continues for more than three months, said Participant will be deemed to have withdrawn from the Plan as of the end of such three month period. The Committee shall treat such Participant as if he/she had terminated his/her services; however, payments will not be made until the party has terminated employment, retired or upon death. Contributions shall not be mandatory during leave of absence without compensation.

[VIII] IX. AMENDMENT OR TERMINATION OF PLAN

9.01 The [Columbia Region Association of Governments] Metropolitan Service District may at any time terminate this Plan. Upon such termination, the Participants in the Plan will be deemed to have withdrawn from the Plan as of the date of such termination, and the Participant's full compensation on a non-deferred basis will be thereupon restored and the Committee shall treat such Participants as if they had terminated their services on the date of the termination and pay such benefit or benefits as provided in Section 6.01.

9.02 The [Columbia Region Association of Governments] Metropolitan Service District may also amend the provisions of this Plan at any time; provided, however, that no amendment shall affect the rights of the Participants or their beneficiaries to the receipt of payment of benefits to the extent of any compensation deferred before the time of the amendment as adjusted for investment experience under the contracts described in Section 5.01 prior to and subsequent to amendment.

[IX] X. NON-ASSIGNABILITY CLAUSE

It is agreed that neither the Participant, nor his/her beneficiary nor any other designee, shall have the right to commute, sell, assign, transfer or otherwise convey the right to receive any payments hereunder which payments and rights thereto are expressly declared to be non-assignable and non-transferable; and, in the event of any attempted assignment or transfer, the [Columbia Region Association of Governments] Metropolitan Service District shall be no further liability hereunder; nor shall any unpaid benefits be subject to attachment, garnishment, or execution, or be transferable by operation of law in event of bankruptcy, insolvency, except to the extent otherwise required by law.

[X] XI. NON-FUNDING OF BENEFITS

If the [Columbia Region Association of Governments] Metropolitan Service District shall acquire any investment or assets in connection with the liabilities assumed by it

hereunder, it is expressly understood and agreed that neither the Participant nor any beneficiary of the Participant shall have any right with respect to, or claim against such investment or asset. Such investment or assets shall not be held in any way as collateral security for the fulfilling of the obligations of the [Columbia Region Association of Governments] Metropolitan Service District under this Plan, and shall be subject to the claims of creditors of the [Columbia Region Association of Governments] Metropolitan Service District.

[XI] XII. APPLICABLE LAW

This Plan shall be construed under the laws of the state of Oregon.

[IN WITNESS WHEREOF, the Columbia Region Association of Governments has caused this Plan to be executed and attested to be its duly authorized officers, on the \_\_\_ day of \_\_\_\_\_, 19\_\_.]

[APPROVED AS TO FORM]

[\_\_\_\_\_] [By: \_\_\_\_\_]

[\_\_\_\_\_]

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October 28, 1982  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Rick Gustafson  
Executive Officer



# Memo

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METROPOLITAN SERVICE DISTRICT 527 S.W. HALL ST., PORTLAND, OREGON 97201 503 221-1646  
Providing Zoo, Transportation, Solid Waste and other Regional Services

*Date:* March 20, 1985

*To:* Rick Gustafson  
Executive Officer

*From:* Dick Karnuth <sup>DK</sup>  
Personnel Analyst

*Regarding:* Great-West Deferred Compensation

Personnel is continuing to work with Metro's Broker of Record, Bill Lovejoy, to make overall improvements to the retirement program. In researching the history of the Great-West Plan, it was discovered that while the approving resolution was signed by the Presiding Officer, the amended plan itself was not signed.

Please sign the attached Plan Description. A copy can then be forwarded to Bill Lovejoy.

REK

attachment