

KNOX COUNTY RETIREMENT AND PENSION BOARD

OCTOBER 26, 2015

The Knox County Retirement and Pension Board met in regular session on Monday, October 26, 2015, at 1:00 P.M. in the County Commission Conference Room 640, City County Building, Knoxville, Tennessee. Vice Chairman McBride, presided and called the meeting to order.

The following members were present: Mr. Nick McBride, Vice Chairman, Ms. Robin Moody, Secretary, Commissioner Ed Brantley, Commissioner Sam McKenzie, Commissioner Jeff Ownby, Commissioner Bob Thomas, and Mr. Chris Caldwell, representing Mayor Tim Burchett. Also present at the meeting were: Mr. Bob Cross and Mrs. Amanda Kaiser, USICG, Mr. William Mason, Mr. John Owings and Mrs. Stephanie Coleman, Legal Counsel, and Retirement staff, Mrs. Kim Bennett, Mrs. Terri Chase, Mrs. Janet Rowan and Mrs. Jennifer Schroeder.

IN RE: APPOINTMENTS OF COMMITTEES

Vice Chairman McBride requested the appointments of committees be deferred to the November Board Meeting due to absence of Chairman Trott. A motion was made by Commissioner Thomas to defer the appointment of committees to the November Board Meeting. The motion was seconded by Commissioner McKenzie and unanimously carried.

IN RE: APPROVAL OF MINUTES OF PREVIOUS MEETING

Consideration of approval of the minutes of the previous meeting of September 28, 2015, was presented. A motion was made by Mr. Caldwell that the minutes be approved as presented. The motion was seconded by Commissioner McKenzie and unanimously carried.

IN RE: APPROVAL OF MINUTES OF SPECIAL BOARD MEETING

Consideration of approval of the minutes of the special Board Meeting of October 7, 2015, was presented. A motion was made by Commissioner Thomas that the minutes be approved as presented. The motion was seconded by Commissioner McKenzie and unanimously carried.

IN RE: RESIGNATION OF BOARD MEMBER, CRYSTAL FIELDS

Mrs. Bennett stated Ms. Fields submitted her resignation effective October 19, 2015. She stated this will require an election for the balance of her 2-year term, ending February 2017; however with the mandatory dates required to allow candidates to apply and Knox County Schools' holidays, the election will be held in January 2016.

IN RE: APPOINTMENT OF ELECTION COMMITTEE

Vice Chairman McBride appointed Mr. Caldwell as Chairman of the Election Committee. He stated Mrs. Bennett and staff will appoint the remaining committee s from Schools and Schools retirees.

IN RE: OFFICER J CASEY OWINGS

Mrs. Bennett stated Officer Owings has made application to purchase his 4th year of military service for credited service under the Uniformed Officers Pension Plan. She stated the actuarially determined cost is just under \$4,000. Mrs. Bennett stated the Plan Document requires the Board to approve the cost to be provided in response to Officer Owings's request. Upon approval, the Retirement

office will send a letter to Officer Owings advising him of cost and that it must be paid within 60 days, or the opportunity to secure that additional year of Credited Service will be irrevocably closed to him.

After discussion, a motion was made by Commissioner Thomas to approve the request of J. Casey Owings to allow purchase of the 4th year of military service for credited service under the Uniformed Officers Pension Plan.. The motion was seconded by Commissioner McKenzie and unanimously approved.

IN RE: APPLICATION FOR DISABILITY BENEFITS FOR MARK A BELLIVEAU, PARTICIPANT IN THE EMPLOYEE DISABILITY BENEFIT PLAN.

The application of **MARK A BELLIVEAU**, employee of the Sheriff's Dept, and a participant in the Employee Disability Benefit Plan, for disability benefits was presented. Mr. Belliveau has 23 years of credited service. Notification was received from UNUM dated October 1, 2015, recommending approval of a disability benefit for Mr. Belliveau.

After discussion, a motion was made by Mr. Caldwell to accept the recommendation of UNUM and approve the request of Mr. Belliveau for disability benefits as presented and authorize the Directed Custodian, Wells Fargo Bank, to make disposition of the benefits in accordance with the terms of the Plan upon certification from USI. The motion was seconded by Commissioner Thomas and unanimously approved.

IN RE: APPLICATIONS FOR RETIREMENT AS PROVIDED IN THE TEACHER'S PLAN

The following applications for retirement, as provided in the Teacher's Plan and determined by the City Pension Board, were presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
Lynette M Young	Schools	39 years 4 months	October 1, 2015

After review, a motion was made by Commissioner Ownby to approve the applications for retirement under the Teacher's Plan as presented and authorize the Trustee, State Street Bank, to make disposition of the benefits. The motion was seconded by Commissioner McKenzie and unanimously approved.

IN RE: APPLICATIONS FOR RETIREMENT AS PROVIDED IN THE DEFINED CONTRIBUTION PLAN AND AUTHORIZATION OF CREDITED SERVICE BENEFIT BASED ON COMPLETED YEARS OF SERVICE

The following applications for retirement and the credited service benefit based upon completed years of credited service at the date of retirement, as provided in the Defined Contribution Plan, were presented for consideration:

<u>NAME</u>	<u>DEPARTMENT</u>	<u>CREDITED SERVICE</u>	<u>EFFECTIVE DATE</u>
Mary E McDonald	Health	15 years 11 months	October 1, 2015
Patricia E Dickens	Schools	42 years 9 months	November 1, 2015
Teresa A Flynn	Schools	7 years 11 months	November 1, 2015
Arthur S McDaniel	Air Quality	15 years 5 months	November 1, 2015
Calvin L Schofield	Health	7 years 4 months	November 1, 2015

After review, a motion was made by Commissioner McKenzie to approve the applications for retirement under the Defined Contribution Plan as presented and authorize the Directed Custodian, Wells Fargo Bank, to make disposition of the benefits upon certification from USI. The motion was seconded by Commissioner Ownby and unanimously approved.

After review, a motion was made by Commissioner McKenzie to approve the credited service benefits as presented and authorize the Directed Custodian, State Street Bank, to make disposition of the benefits as provided by the Plan. The motion was seconded by Commissioner Ownby and unanimously approved.

IN RE: REPORT OF EXECUTIVE DIRECTOR

Mrs. Bennett reported on the conversion to the new server; her office is working with the Knox County IT Department but there is an issue that Benxl is currently trying to fix. She advised the Retirement Office performed testing for two days before finding this issue.

Commissioner Thomas asked if there would be any additional cost from Benxl. Mrs. Bennett stated the quoted cost was a flat rate for the conversion. Upon completion of the conversion and testing, the imaging process will begin.

Mrs. Bennett stated per the recommendation of the Board, there are four scheduled retirement meetings for retirees on Medicare Advantage Plan information. She stated the vendors committed to attend the meetings are AARP, BlueCross BlueShield, Cigna and Humana. Mrs. Bennett said there have been record numbers of calls to the office and she has hired a part time temporary employee who is retired from Humana to assist with phones and scheduling meetings. She stated the Retirement staff is working with retirees that need at-home assistance by giving them information on home representatives that can assist them. Mrs. Bennett stated the retirement communications are continuing with a retiree postcard mailing this week and a retiree newsletter mailing the week of November 2nd. She said the staff is exploring applicable Medicare enrollment extension rules in case any retirees fail to timely enroll in an individual plan when this Humana Medicare Advantage Group Plan terminates at the end of December. Ms. Bennett said she is concerned with retirees who may not be capable of physically or mentally taking steps to enroll, and she and the staff are working to identify those individuals who may need extra help.

IN RE: DOCUMENT COMMITTEE

Mrs. Bennett stated the Document Committee reviewed the Procedures for the QDRO Administration Process for the Defined Contribution (Asset, MERP, STAR and 457(b)) and Defined Benefit Plans (Closed DB and UOPP) that it previously authorized and directed the Executive Director to put in place. Ms. Bennett pointed out that there will be a QDRO processing fee of \$500 for DC Plans and \$2,000 for DB Plans. The QDRO Procedures will be posted on the Retirement System website and will be effective November 1, 2015.

After discussion by the Board Members, a motion was made by Mr. Caldwell to affirm the Board's continuing delegation to the Executive Director to revise such QDRO procedures for each of the Plans from time to time as deemed necessary or desirable.. The motion was seconded by Commissioner Ownby and unanimously approved.

IN RE: PUBLIC HEARING AND SECOND READING OF AMENDMENT NO. 8 TO THE 2014 KNOX COUNTY EMPLOYEE BENEFIT SYSTEM.

Mrs. Bennett presented Amendment No. 8 to the 2014 Knox County Employee Benefit System to the Board for consideration. Mrs. Bennett reviewed the amendment. She said the amendment is to comply with State legislation requiring local governmental plans to honor certain Qualified Domestic Relations Orders issued after July 1, 2015, to simplify the Deferred Compensation Plan by removing the rarely used normal retirement age catch-up provision, and to make certain other clarifying and conforming changes to the System document. Mrs. Bennett recommended adopting the amendment on Second Reading.

Mr. Mason told the Board that after discussing it with the Executive Director, he was going to recommend that, consistent with IRS changes in its qualification determination practices to eliminate the 5-year cycle for plan submissions, from now on, Retirement System Plan amendments be immediately incorporated into an amended and restated document, so that the Plan posted on the website would be up to date and user friendly.

Vice Chairman McBride asked if anyone was present to speak at the public hearing. No one was recognized by the Vice Chairman.

After discussion by the Board Members, a motion was made by Mr. Caldwell to approve Amendment No. 8 to the 2014 Knox County Employee Benefit System on Second Reading. The motion was seconded by Commissioner McKenzie and unanimously approved.

Amendment No. 8 is as follows:

Notice of 8th Amendment to the 2014 Restatement of the Knox County Employee Benefit System

**A RESOLUTION OF
THE KNOX COUNTY RETIREMENT AND PENSION BOARD**

WHEREAS, Knox County Government has adopted the Knox County Employee Benefit System, as amended and restated in its entirety effective January 1, 2014 (the "System"); and

WHEREAS, pursuant to Section VIII-1.20 of the System, the Knox County Retirement and Pension Board (the "Board") has the right at any time to modify, alter or amend the System, in whole or in part, by instrument in writing duly executed; and the Actuary has determined that this Amendment will have no measurable net cost to the County; and

WHEREAS, the Board wishes to further amend the System to comply with State legislation requiring local governmental plans to honor certain Qualified Domestic Relations Orders issued after July 1, 2015; to simplify the Deferred Compensation Plan by removing the rarely used normal retirement age catch-up provision; and to make certain other clarifying and conforming changes to the System document, attached hereto as Attachment A; and

WHEREAS, the Board has complied with the provisions of Section VIII-1.20.

NOW THEREFORE BE IT RESOLVED that effective November 1, 2015, unless otherwise provided below, the System shall be and is hereby amended as follows:

1. **Article I, Section I-1.07** is amended by inserting “, the Code, the Plan and the Plan's QDRO Procedure” to the end thereof.

2. **Article I, Section I-1.105** is amended to read as follows:

I-1.105 “Qualified Domestic Relations Order” or “QDRO” shall mean a Domestic Relations Order that creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable to a Participant under the Plan, subject to applicable Tennessee law, the Code, the Plan and the Plan's QDRO Procedure.

3. **Article II, Section II-1.04(n)** is amended to read as follows:

(n) As provided in Article VIII, Section VIII-1.13, to establish reasonable procedures for determining if a Domestic Relations Order received by the Board is a Qualified Domestic Relations Order; and

4. **Article V, Section V-1.01** is amended by inserting the following sentence to the end thereof:

“The insurance program created by this Article V is not provided under Code 401(a) and benefits hereunder are not subject to assignment by QDRO under Section VIII-1.13.”

5. **Article VI, Section VI-4.01(b)(3)** is amended to read as follows:

(3) Any payment made in accordance with the provisions of the Plan to a Participant or Beneficiary, Alternate Payee or legal representative, shall constitute full satisfaction of claims hereunder against the Trustee and the Board as to the method of computation as well as the amount thereof. The Trustee or the Board may require such Participant, Beneficiary, Alternate Payee or legal representative, as a condition precedent to such payment, to execute a receipt and release therefor in such form as the Trustee or Board may require.

6. **Article VIII, Section VIII-1.08** is amended to read as follows:

VIII-1.08 Claims

Any payment of benefits to a Participant, Beneficiary, Alternate Payee or to their legal representatives, in accordance with the provisions of the System, shall to the extent of the method of computation as well as the amount thereof constitute full satisfaction of all claims hereunder against the Trustee, the Board and the Employer, any of whom may require such Participant, Beneficiary, Alternate Payee or legal representative, as a condition precedent to such payment, to execute a receipt and release therefor in such form as shall be determined by the Trustee, the Board or the Employer, as the case may be.

7. **Article VIII, Section VIII-1.13** is amended to read as follows:

VIII-1.13 Qualified Domestic Relations Order Procedure

(a) The Administrator shall determine if any Domestic Relations Order received is a Qualified Domestic Relations Order in accordance with applicable Tennessee law, the Code, the Plan and the Plan's QDRO Procedure. The Administrator shall administer such Qualified Domestic Relations Order in accordance with the Plan and the QDRO Procedure.

(b) The Board shall establish and may amend from time to time procedures to determine whether a Domestic Relations Order is a Qualified Domestic Relations Order (including provisions on the

suspension of benefits during such determination and the fee schedule applicable to the review of Domestic Relations Orders) and to administer the distribution of benefits assigned to an Alternate Payee by a Qualified Domestic Relations Order.

(c) A Domestic Relations Order shall not be considered a Qualified Domestic Relations Order if it assigns to the Alternate Payee an interest in the Credited Service Benefit described in Section III-3.06. However, a Domestic Relations Order shall not fail to be a Qualified Domestic Relations Order if it requires the Participant to name the Alternate Payee as the Beneficiary of the Credited Service Benefit.

(d) This Section VIII-1.13(d) applies only to the Asset Accumulation Plan, the Medical Expense Retirement Plan and the Deferred Compensation Plan. A Domestic Relations Order shall only be accepted as a Qualified Domestic Relations Order if it provides, in lieu of any other form or time of distribution permitted by the System to Participants, Beneficiaries, or survivors, for any benefit assigned to the Alternate Payee to be distributed exclusively in the form of a single lump sum, in accordance with the Administrator's regular payment procedures after the Administrator's acceptance and approval of such Qualified Domestic Relations Order.

(e) This Section VIII-1.13(e) applies only to the Closed Defined Benefit Plan. A Domestic Relations Order shall only be accepted as a Qualified Domestic Relations Order if, in the circumstances listed in the applicable provisions of Sections VIII-1.13(d)(1), (2) or (3) below, it provides, in lieu of any other form or time of distribution permitted by the Plan to Participants, Beneficiaries, or survivors, for any benefit assigned to the Alternate Payee to be distributed exclusively as follows:

(1) If the Participant is an Employee at the time the Qualified Domestic Relations Order is accepted, in the form of an Actuarially Equivalent single life annuity, for the life of the Alternate Payee, commencing only on the date the Participant has Retired and commenced to receive benefits, provided such Alternate Payee is then surviving. Such a Domestic Relations Order may also assign portions of the following benefits, which must be assigned separately in that order.

(i) Refund. A Qualified Domestic Relations Order shall not be deemed to assign the Alternate Payee an interest in a Refund unless the Domestic Relations Order specifically assigns to the Alternate Payee a portion of any Refund that may otherwise become payable to the Participant. A Domestic Relations Order that assigns a Refund shall only be accepted as a Qualified Domestic Relations Order if it provides, in the event the Participant elects to take a Refund, the Alternate Payee shall only be entitled to receive the designated portion of the Participant's Refund assigned to the Alternate Payee in a single lump sum that is to be distributed, if at all, at the time the Participant is paid the remaining portion of that Refund, provided the Alternate Payee is then surviving.

(ii) Death Benefits. A Qualified Domestic Relations Order shall not be deemed to assign the Alternate Payee an interest in any death benefit that may become payable on account of the Participant's death prior to Severance, unless the Domestic Relations Order specifically assigns the Alternate Payee a portion of such death benefit that may otherwise become payable to such Participant's Beneficiaries or survivors. A Domestic Relations Order that assigns death benefits shall only be accepted as a Qualified Domestic Relations Order if it

provides, in the event the Participant dies prior to Severance, the Alternate Payee shall receive the designated portion of the Participant's death benefit only in the form of an Actuarially Equivalent single life annuity for the life of the Alternate Payee in accordance with the Administrator's regular payment procedures following the Participant's death, provided the Alternate Payee is surviving on the Participant's date of death.

(iii) Death of Participant following Severance. A Qualified Domestic Relations Order shall not be deemed to assign the Alternate Payee an interest in any Refund that may become payable on account of the Participant's death after Severance but prior to Retirement, unless the Domestic Relations Order specifically assigns the Alternate Payee a portion of such Refund that may otherwise become payable to such Participant's Beneficiaries. A Domestic Relations Order that assigns a Refund payable after Severance but prior to Retirement shall only be accepted as a Qualified Domestic Relations Order if it provides, in the event the Participant dies after Severance but prior to Retirement, the Alternate Payee shall only be entitled to receive the designated portion of that Refund assigned to the Alternate Payee in a single lump sum that is to be distributed, if at all, following the Administrator's receipt of proper proof of the Participant's death, provided the Alternate Payee is surviving on the Participant's date of death.

If the Alternate Payee dies prior to commencement of any benefit and therefore receives no benefit from the Plan, the Participant's benefits shall be distributed as though the QDRO had never been issued.

(2) If the Participant is Retiree and is receiving benefits at the time the Qualified Domestic Relations Order is accepted, in the form of a life annuity, for the shorter of the life of the Retiree or the life of the Alternate Payee, commencing only at the time the Qualified Domestic Relations Order is accepted, in accordance with the Administrator's regular payment procedures, provided such Alternate Payee is then surviving. A Domestic Relations Order shall not be accepted as a Qualified Domestic Relations Order unless it is consistent with the following conditions:

(i) Death of Retiree.

(A) If the Retiree dies prior to commencement of benefits to the Alternate Payee, the Alternate Payee shall be entitled to no benefit.

(B) If the Retiree dies after commencement of benefits to the Alternate Payee, the Alternate Payee's benefit shall cease.

(ii) Death of Alternate Payee.

(A) If the Alternate Payee dies prior to commencement of benefits to the Alternate Payee, no benefit shall be payable to the Alternate Payee's beneficiaries, survivors or estate and the Retiree's monthly benefit shall be restored thereafter to the amount that would have been payable if no Qualified Domestic Relations Order had been issued.

(B) If the Alternate Payee dies after commencement of benefits, the Alternate Payee's benefit shall cease and no benefit shall be payable to the Alternate Payee's beneficiaries, survivors or estate and the Retiree's

monthly benefit shall be restored thereafter to the amount that would have been payable if no Qualified Domestic Relations Order had been issued.

(3) If the Participant is a Terminated Participant but has a Vested Benefit at the time a Qualified Domestic Relations Order is accepted, in the form of an Actuarially Equivalent single life annuity, for the life of the Alternate Payee, commencing only at the time the Terminated Participant has commenced to draw a benefit, provided such Alternate Payee is then surviving. Such a Domestic Relations Order may also assign portions of the following benefits, which must be assigned separately in that order.

(i) Refund. A Qualified Domestic Relations Order shall not be deemed to assign the Alternate Payee an interest in a Refund unless the Domestic Relations Order specifically assigns to the Alternate Payee a portion of any Refund that may otherwise become payable to the Terminated Participant. A Domestic Relations Order that assigns a Refund shall only be accepted as a Qualified Domestic Relations Order if it provides, in the event the Participant elects to take a Refund, the Alternate Payee shall only be entitled to receive the designated portion of the Terminated Participant's Refund assigned to the Alternate Payee in a single lump sum that is to be distributed, if at all, at the time the Terminated Participant is paid the remaining portion of that Refund, provided the Alternate Payee is then surviving.

(ii) Death of Terminated Participant. A Qualified Domestic Relations Order shall not be deemed to assign the Alternate Payee an interest in any Refund that may become payable on account of the Terminated Participant's death after Severance but prior to Retirement, unless the Domestic Relations Order specifically assigns the Alternate Payee a portion of such Refund that may otherwise become payable to such Participant's Beneficiaries or survivors. A Domestic Relations Order that assigns a Refund payable after Severance but prior to Retirement shall only be accepted as a Qualified Domestic Relations Order if it provides, in the event the Terminated Participant dies after Severance but prior to Retirement, the Alternate Payee shall only be entitled to receive the designated portion of that Refund assigned to the Alternate Payee in a single lump sum that is to be distributed, if at all, following the Administrator's receipt of proper proof of the Terminated Participant's death, provided the Alternate Payee is surviving on the Terminated Participant's date of death.

If the Alternate Payee dies prior to commencement of any benefit and therefore receives no benefit from the Plan, the Terminated Participant's benefits shall be distributed as though the QDRO had never been issued.

(f) The QDRO procedure for the Teacher's Plan shall be coordinated with the procedures of the City of Knoxville Pension System.

(g) The Participant's accounts under the Asset Plan, MERP, or Deferred Compensation Plan shall be reduced by the amount, if any, assigned to the Alternate Payee pursuant to a Qualified Domestic Relations Order directed at such Plan. The Participants' benefit, or in the case of a death benefit, the Beneficiary's or survivor's benefit, under the Closed Defined Benefit Plan shall

be reduced by the Actuarially Equivalent amount, if any, assigned to the Alternate Payee pursuant to a Qualified Domestic Relations Order directed at such Plan.

(h) The life insurance benefit described in Article V of this Plan is not subject to assignment by a Domestic Relations Order.

8. **Article VIII, Section VIII-1.17** is amended to read as follows:

VIII-1.17 Receipt and Release for Payments

Any payment to any Participant, his legal representative, Beneficiary, Alternate Payee or to any guardian or committee appointed for such Participant, Beneficiary or Alternate Payee in accordance with the provisions of the System, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Trustee, the Employer or the Board, or any Employee or public official acting in good faith for or on behalf of the System, any of whom may require such Participant, legal representative, Beneficiary, Alternate Payee, guardian or committee, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Trustee or Employer.

9. **Article X, Section X-2.04** is deleted in its entirety, effective November 1, 2015, and replaced with "Reserved."

Attachment A:

1. **Article I, Section I-1.23(h)** is amended to read as follows:

(h) Compensation shall not include any amounts paid to an Employee for employment with the Employer in any one or more positions, where the Employee is designated by the Employer as regularly scheduled to work less than 18-1/2 hours per week in such position(s), and after March 31, 2014, where the Employee has executed an acknowledgement and irrevocable waiver in form satisfactory to the Board that pay for such position(s) shall not count for benefit accrual under any Plan of the System, STAR, Disability Plan or UOPP, and that the Employee will be entitled to no benefit under the System, STAR, the Disability Plan or UOPP with regard to pay for such position(s).

2. **Article I, Section I-1.25(i)** is amended to read as follows:

Credited Service shall not include any period of employment by an Employee in any one or more positions, where the Employee is designated by the Employer as regularly scheduled to work less than 18-1/2 hours per week in such position(s), and after March 31, 2014, where the Employee has executed an acknowledgement and irrevocable waiver in a form satisfactory to the Board that service in such position(s) shall not count for eligibility, vesting or benefit accrual under any Plan of the System, STAR, Disability Plan or UOPP, and that the Employee will be entitled to no benefit under the System, STAR, Disability Plan or UOPP with regard to service in such position(s).

3. **Article I, Section I-1.49(d)** is amended to delete the word "under" in the third line thereof.

4. **Article III** is amended to replace all references to "Section III-3.06 Death Benefits" with "Section III-3.06 Credited Service Benefits."

5. **Article VI, Section VI-5.01(d)** is deleted in its entirety and replaced with "Reserved."

6. **Article VI, Section VI-5.02** is amended by replacing the second paragraph thereof with the following:

"A Participant who is receiving benefit payments in installments pursuant to the terms of Sections VI-4.01(d), VI-5.01(a), VI-5.01(b) or VI-5.01(c) shall be permitted to make one change to such election, to any of the optional forms of benefit described in Section 5.01, at any time after benefit payments have commenced, including the following."

7. **Article X, Section X-2.03** is amended, effective November 1, 2015, to read as follows:

Employees who are in the Eligible Class of the Asset Plan, the Closed DB Plan, UOPP or STAR, and any employees elected or appointed as Knox County public officials, are in the Eligible Class to participate in this Plan.

8. **Article X, Section X-4.05**, In-Service Distribution of Rollover Contributions, is redesignated as Section X-3.05.

IN RE: PUBLIC HEARING AND SECOND READING OF AMENDMENT NO. 5 TO THE 2014 UNIFORMED OFFICERS PENSION PLAN.

Mrs. Bennett presented Amendment No. 5 to the 2014 Uniformed Officers Pension Plan for consideration. Mrs. Bennett reviewed the amendment. She said the amendment is to comply with State legislation requiring local governmental plans to honor certain Qualified Domestic Relations Orders issued after July 1, 2015, and to revise the Survivor Benefit. Mrs. Bennett stated the QDRO Procedures will be in effect November 1, 2015. Mrs. Bennett recommended adopting the amendment on Second Reading.

Vice Chairman McBride asked if anyone was present to speak at the public hearing. No one was recognized by the Vice Chairman.

After discussion by the Board Members, a motion was made by Mr. Caldwell to approve Amendment No. 5 to the 2014 Uniformed Officers Pension Plan on Second Reading. The motion was seconded by Commissioner Ownby and unanimously approved.

Amendment No. 5 is as follows:

Notice of 5th Amendment to the 2014 Restatement of the Knox County Uniformed Officers Pension Plan

**A RESOLUTION OF
THE KNOX COUNTY RETIREMENT AND PENSION BOARD**

WHEREAS, Knox County Government has adopted the Knox County Uniformed Officers Pension Plan, as amended and restated in its entirety effective January 1, 2014 ("UOPP"); and,

WHEREAS, pursuant to Article VII, Section 7.05 of the Knox County Charter (the "Charter") and Section 7.1 of UOPP, the Knox County Retirement and Pension Board (the "Board") has the right at any time to modify, alter or amend UOPP, in whole or in part, by instrument in writing duly executed; so long as such amendment is consistent with the terms of Section 7.05 of the Charter; and the Actuary has determined that this Amendment will have no measurable net cost to the County; and,

WHEREAS, the Board wishes to further amend UOPP to comply with State legislation requiring local governmental plans to honor certain Qualified Domestic Relations Orders issued after July 1, 2015; to revise the Survivor Benefit; and make certain other conforming and clarifying changes; and

WHEREAS, the Board has complied with the provisions of Section 7.1.

NOW THEREFORE BE IT RESOLVED that UOPP shall be and is hereby amended, effective November 1, 2015, as follows:

1. **Article I, Section 1.06** is amended by inserting ", the Code, the Plan and the Plan's QDRO Procedure" to the end thereof.

2. **Article I, Section 1.78** is amended to read as follows:

1.78 "Qualified Domestic Relations Order" or "**QDRO**" shall mean a Domestic Relations Order that creates or recognizes the existence of an Alternate Payee's right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable to a Participant under the Plan, subject to applicable Tennessee law, the Code, the Plan and the Plan's QDRO Procedure.

3. **Article II, Section 2.04(n)** is amended to read as follows:

(n) As provided in Section 5.16, to establish reasonable procedures for determining if a Domestic Relations Order received by the Board is a Qualified Domestic Relations Order;

4. **Article V, Section 5.04(b)** is amended by deleting Subsection (2) in its entirety and redesignating Subsection (3) as new Subsection (2).

5. **Article V, Section 5.06** is amended to read as follows:

5.06 Survivor Benefit

(a) In Line of Duty Survivor Benefit. If the Participant dies: In Line of Duty; or following In Line of Duty Disability:

(1) The Beneficiary shall be entitled to a Survivor Benefit, commencing immediately and payable monthly for the Beneficiary's life, computed as though the Participant: (i) was entitled to a single life annuity equal to 50% of Average Monthly Compensation; and (ii) Retired the day before death having elected a survivor annuity naming the Beneficiary to receive the benefit after the Participant's death.

(i) Unless the Beneficiary elects in writing filed with the Board prior to payment of any benefit for the Survivor Benefit to be calculated as though the Participant had elected the 180 month guaranteed certain annuity, the Survivor Benefit shall be calculated as though the Participant had elected a 100% joint and survivor annuity; provided, however, if the Beneficiary is the Participant's estate, the Survivor Benefit shall be calculated as though the Participant had elected a Refund.

(ii) In any event, a Beneficiary's minimum In Line of Duty Survivor Benefit shall not be less than \$250 per month.

(2) Provided, however, if the Participant dies with either (i) a surviving Spouse who is the sole Beneficiary or (ii) a surviving Spouse and without any validly designated Beneficiary, the surviving Spouse shall be entitled to elect in lieu of the Survivor Benefit otherwise payable under Section 5.06(a)(1), a Survivor Benefit commencing immediately and payable monthly for the surviving Spouse's life, equal to 2.0% of the Participant's Average Monthly Compensation multiplied by the Participant's years of Credited Service (up to a maximum of 25 years).

(i) A surviving Spouse's minimum In Line of Duty Survivor Benefit shall not be less than \$250 per month.

(ii) If the surviving Spouse elects the Survivor Benefit under Section 5.06(a)(2), each of Participant's surviving Dependent Children shall be entitled to \$75 per month during dependency.

(3) Provided, further, if the Participant dies with no surviving Spouse and the Participant's surviving Dependent Children are the sole Beneficiaries under Section 5.06(a)(1), those surviving Dependent Children jointly may elect in lieu of any Survivor Benefit under Section 5.06(a)(1) to receive \$75 per month during dependency.

(b) Not In Line of Duty Survivor Benefit. If the Participant with five (5) or more years of Credited Service dies (i) Not in Line of Duty; or (ii) following Not in Line of Duty Disability:

(1) The Beneficiary shall be entitled to a Survivor Benefit, commencing immediately and payable monthly for the Beneficiary's life, computed as though the Participant: (i) was entitled to a single life annuity equal to 2% of Average Monthly Compensation multiplied by years of Credited Service (up to a maximum of 25 years); and (ii) Retired the day before death having elected a survivor annuity naming the Beneficiary to receive the benefit after the Participant's death.

(i) Unless the Beneficiary elects in writing filed with the Board prior to payment of any benefit for the Survivor Benefit to be calculated as though the Participant had elected the 180 month guaranteed certain annuity, the Survivor Benefit shall be calculated as though the Participant had elected a 100% joint and survivor annuity; provided, however, if the Beneficiary is the Participant's estate, the Survivor Benefit shall be calculated as though the Participant had elected a Refund.

(ii) In any event, a Beneficiary's minimum monthly Not in Line of Duty Survivor Benefit shall not be less than \$10 multiplied by the Participant's years of Credited Service (up to a maximum of 25 years); or

(2) Provided, however, if the Participant dies with either (i) a surviving Spouse who is the sole Beneficiary or (ii) a surviving Spouse and without any validly designated Beneficiary, the surviving Spouse shall be entitled to elect in lieu of the Survivor Benefit otherwise payable under Section 5.06(b)(1), a Survivor Benefit commencing immediately and payable monthly for the surviving Spouse's life, equal to 1% of such Participant's Average Monthly Compensation multiplied by the Participant's years of Credited Service (up to a maximum of 25 years).

(i) A surviving Spouse's minimum monthly Not in Line of Duty Survivor Benefit shall not be less \$10 multiplied by the Participant's years of Credited Service (up to a maximum of 25 years).

(ii) If the surviving Spouse elects the Survivor Benefit under Section 5.06(b)(2), each of Participant's surviving Dependent Children shall be entitled to \$75 per month during dependency.

(3) Provided, further, if the Participant dies with no surviving Spouse and the Participant's surviving Dependent Children are the sole Beneficiaries under Section 5.06(b)(1), those

surviving Dependent Children jointly may elect in lieu of any Survivor Benefit under Section 5.06(b)(1) to receive \$75 per month during dependency.

(c) In the case of a Participant who dies Not in Line of Duty, the Beneficiary of a Participant who: (i) had 5 or more years of Credited Service in the Asset Plan or Closed Defined Benefit Plan; (ii) was transferred, voluntarily or involuntarily, from Employment with the Employer under the System to Employment as an Officer, without a break in service with the Employer; and (iii) dies Not In Line of Duty while covered by this Plan, shall be: (I) eligible for a Not In Line of Duty Survivor Benefit; (II) entitled to a Not In Line of Duty Survivor Benefit computed using the greater of the Participant's Credited Service under this Plan or years of Credited Service in the Asset Plan or Closed Defined Benefit Plan, but not both; and (III) entitled to a Not In Line of Duty Survivor Benefit computed using the Participant's Compensation under the Asset Plan or Closed Defined Benefit Plan to the extent such use for any consecutive month or months prior to the Participant's transfer results in greater Average Monthly Compensation. The provisions of this paragraph shall not apply to a Participant who was simultaneously an Active Participant in both this Plan and the System.

(d) Death Following Normal Retirement. Upon the death of a Participant who dies after commencing the Normal Retirement Benefit under Section 5.01 without having elected any optional form of benefit, that Participant's surviving Spouse shall be entitled to a Normal Retirement Survivor Benefit, commencing immediately and payable monthly as follows:

(1) The Participant's surviving Spouse shall be entitled to a Normal Retirement Survivor Benefit, commencing immediately and payable monthly for the Spouse's life equal to 50% of such Participant's Normal Retirement Benefit immediately prior to death. A surviving Spouse's minimum monthly Normal Retirement Survivor Benefit shall not be less than \$10 multiplied by the Participant's years of Credited Service (up to a maximum of 25 years).

(2) Each of Participant's surviving Dependent Children shall be entitled to \$75 per month during dependency.

(3) If the Participant is not survived by a Spouse or Dependent Child, but is survived by a Dependent Parent or Dependent Parents, that Parent or those Parents jointly shall be entitled for life or during dependency to a monthly benefit in an amount equal to \$10 multiplied by Participant's years of Credited Service (up to a maximum of 25 years).

(e) No Survivor Benefit other than those described in Sections 5.06(a) through (d) shall be payable in the case of a deceased Participant, except that: (i) if no other benefit is payable; or (ii) if no validly designated Beneficiary is surviving at the time of the Participant's death, a Refund shall be paid to the Participant's estate.

(f) Except in the case of a Participant who was simultaneously an Active Participant in this Plan and the System, no Beneficiary shall be entitled to a Survivor or death benefit under both this Plan and the System.

6. **Article V, Section 5.16** is amended to read as follows:

5.16 Qualified Domestic Relations Order Distribution

(a) The Administrator shall determine if any Domestic Relations Order received is a Qualified Domestic Relations Order in accordance with applicable Tennessee law, the Code, the Plan and

the Plan's QDRO Procedure. The Administrator shall administer such Qualified Domestic Relations Order in accordance with the Plan and the QDRO Procedure.

(b) The Board shall establish and may amend from time to time QDRO Procedures to determine whether a Domestic Relations Order is a Qualified Domestic Relations Order (including provisions on the suspension of benefits during such determination and the fee schedule applicable to the review of Domestic Relations Orders) and to administer the distribution of benefits assigned to an Alternate Payee by a Qualified Domestic Relations Order.

(c) A Domestic Relations Order shall only be accepted as a Qualified Domestic Relations Order if, in the circumstances listed in the applicable provisions of Section 5.16(c)(1), (2) or (3) below, it provides, in lieu of any other form or time of distribution permitted by the Plan to Participants, Beneficiaries or survivors, for any benefit assigned to the Alternate Payee to be distributed exclusively as follows:

(1) If the Participant is an Employee at the time the Qualified Domestic Relations Order is accepted, in the form of an Actuarially Equivalent single life annuity, for the life of the Alternate Payee, commencing only on the date the Participant has Retired and commenced to receive benefits, provided such Alternate Payee is then surviving. Such a Domestic Relations Order may also assign portions of the following benefits, which must be assigned separately in that order.

(i) Refund. A Qualified Domestic Relations Order shall not be deemed to assign the Alternate Payee an interest in a Refund unless the Domestic Relations Order specifically assigns to the Alternate Payee a portion of any Refund that may otherwise become payable to the Participant. A Domestic Relations Order that assigns a Refund shall only be accepted as a Qualified Domestic Relations Order if it provides, in the event the Participant elects to take a Refund, the Alternate Payee shall only be entitled to receive the designated portion of the Participant's Refund assigned to the Alternate Payee in a single lump sum that is to be distributed, if at all, at the time the Participant is paid the remaining portion of that Refund, provided the Alternate Payee is then surviving.

(ii) Survivor Benefits. A Qualified Domestic Relations Order shall not be deemed to assign the Alternate Payee an interest in any survivor benefit that may become payable on account of the Participant's death prior to Severance, unless the Domestic Relations Order specifically assigns the Alternate Payee a portion of such survivor benefit that may otherwise become payable to such Participant's Beneficiaries or survivors. A Domestic Relations Order that assigns survivor benefits shall only be accepted as a Qualified Domestic Relations Order if it provides, in the event the Participant dies prior to Severance, the Alternate Payee shall receive the designated portion of the Participant's survivor benefit only in the form of an Actuarially Equivalent single life annuity for the life of the Alternate Payee in accordance with the Administrator's regular payment procedures following the Participant's death, provided the Alternate Payee is surviving on the Participant's date of death. A Domestic Relations Order that assigns survivor benefits to a spouse or former spouse shall not be accepted as a Qualified Domestic Relations Order if it provides, in the event the Participant dies prior to Severance, the Alternate Payee shall receive any portion of the Participant's survivor benefit that may be payable to Participant's Dependent Children or parents pursuant to Sections 5.06(a)(2)(ii), 5.06(a)(3), 5.06(b)(2)(ii), 5.06(b)(3), 5.06(d)(2), or 5.06(d)(3). A Domestic Relations Order shall not be

accepted as a QDRO if it attempts to assign to the Alternate Payee any portion of the difference between the Survivor Benefit payable under Section 5.06(a)(1) and 5.06(a)(2), or the difference between 5.06(b)(1) and 5.06(b)(2).

(iii) Death of Participant following Severance. A Qualified Domestic Relations Order shall not be deemed to assign the Alternate Payee an interest in any Refund that may become payable on account of the Participant's death after Severance but prior to Retirement, unless the Domestic Relations Order specifically assigns the Alternate Payee a portion of such Refund that may otherwise become payable to such Participant's Beneficiaries. A Domestic Relations Order that assigns a Refund payable after Severance but prior to Retirement shall only be accepted as a Qualified Domestic Relations Order if it provides, in the event the Participant dies after Severance but prior to Retirement, the Alternate Payee shall only be entitled to receive the designated portion of that Refund assigned to the Alternate Payee in a single lump sum that is to be distributed, if at all, following the Administrator's receipt of proper proof of the Participant's death, provided the Alternate Payee is surviving on the Participant's date of death.

If the Alternate Payee dies prior to commencement of any benefit and therefore receives no benefit from the Plan, the Participant's benefits shall be distributed as though the QDRO had never been issued.

(2) If the Participant is a Retiree and receiving benefits at the time the Qualified Domestic Relations Order is accepted, in the form of a life annuity, for the shorter of the life of the Retiree or the life of the Alternate Payee, commencing only at the time the Qualified Domestic Relations Order is accepted, in accordance with the Administrator's regular payment procedures, provided such Alternate Payee is then surviving. A Domestic Relations Order shall not be accepted as a Qualified Domestic Relations Order unless it is consistent with the following conditions:

(i) Death of Retiree.

(A) If the Retiree dies prior to commencement of benefits to Alternate Payee, the Alternate Payee shall be entitled to no benefit.

(B) If the Retiree dies after commencement of benefits to the Alternate Payee, the Alternate Payee's benefit shall cease.

(ii) Death of Alternate Payee.

(A) If the Alternate Payee dies prior to commencement of benefits to the Alternate Payee, no benefit shall be payable to the Alternate Payee's beneficiaries, survivors or estate and the Retiree's monthly benefit shall be restored thereafter to the amount that would have been payable if no Qualified Domestic Relations Order had been issued.

(B) If the Alternate Payee dies after commencement of benefits, the Alternate Payee's benefit shall cease and no benefit shall be payable to the Alternate Payee's beneficiaries, survivors or estate and the Retiree's monthly benefit shall be restored thereafter to the amount that would

have been payable if no Qualified Domestic Relations Order had been issued.

(3) If the Participant is a Terminated Participant but has a Vested Benefit at the time a Qualified Domestic Relations Order is accepted, in the form of an Actuarially Equivalent single life annuity, for the life of the Alternate Payee, commencing only at the time the Terminated Participant has commenced to draw a benefit, provided such Alternate Payee is then surviving. Such a Domestic Relations Order may also assign portions of the following benefits, which must be assigned separately in that order.

(i) Refund. A Qualified Domestic Relations Order shall not be deemed to assign the Alternate Payee an interest in a Refund unless the Domestic Relations Order specifically assigns to the Alternate Payee a portion of any Refund that may otherwise become payable to the Terminated Participant. A Domestic Relations Order that assigns a Refund shall only be accepted as a Qualified Domestic Relations Order if it provides, in the event the Terminated Participant elects to take a Refund, the Alternate Payee shall only be entitled to receive the designated portion of the Terminated Participant's Refund assigned to the Alternate Payee in a single lump sum that is to be distributed, if at all, at the time the Terminated Participant is paid the remaining portion of that Refund, provided the Alternate Payee is then surviving.

(ii) Death of Terminated Participant. A Qualified Domestic Relations Order shall not be deemed to assign the Alternate Payee an interest in any Refund that may become payable on account of the Terminated Participant's death after Severance but prior to Retirement, unless the Domestic Relations Order specifically assigns the Alternate Payee a portion of such Refund that may otherwise become payable to such Terminated Participant's Beneficiaries or survivors. A Domestic Relations Order that assigns a Refund payable after Severance but prior to Retirement shall only be accepted as a Qualified Domestic Relations Order if it provides, in the event the Terminated Participant dies after Severance but prior to Retirement, the Alternate Payee shall only be entitled to receive the designated portion of that Refund assigned to the Alternate Payee in a single lump sum that is to be distributed, if at all, following the Administrator's receipt of proper proof of the Terminated Participant's death, provided the Alternate Payee is surviving on the Terminated Participant's date of death.

If the Alternate Payee dies prior to commencement of any benefit and therefore receives no benefit from the Plan, the Terminated Participant's benefits shall be distributed as though the QDRO had never been issued.

(d) The Participant's benefit, or in the case of a Survivor Benefit, the Beneficiary's or survivor's benefit, under this Plan shall be reduced by the Actuarially Equivalent amount, if any, assigned to the Alternate Payee pursuant to a Qualified Domestic Relations Order directed at the Plan.

(e) The life insurance benefit described in Article XI is not subject to assignment by a Domestic Relations Order.

7. **Article X, Section 10.2(b)** is amended by deleting the last two (2) sentences thereof.

8. **Article X, Section 10.8** is amended to read as follows:

10.8 Receipt and Release for Payments

Any payment to any Participant, the Participant's legal representative, survivor, Beneficiary, Alternate Payee or to any guardian or committee appointed for such Participant, survivor, Beneficiary or Alternate Payee in accordance with the provisions of the Plan, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Trustee and the Employer, either of whom may require such Participant, legal representative, survivor, Beneficiary, Alternate Payee, guardian or committee, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Trustee or Employer.

9. **Article XI, Section 11.01(a)** is amended by inserting the following sentence to the end thereof:
The insurance program created by this Article XI is not provided under Code § 401(a) and is not subject to assignment by a QDRO under Section 5.16.

IN RE: PUBLIC HEARING AND SECOND READING OF AMENDMENT NO. 4 TO THE 2014 SHERIFF'S TOTAL ACCUMULATION RETIREMENT PLAN.

Mrs. Bennett presented Amendment No. 4 to the 2014 Sheriff's Total Accumulation Retirement Plan to the Board for consideration. Mrs. Bennett stated the amendment to STAR is to comply with State legislation requiring local governmental plans to honor certain Qualified Domestic Relations Orders issued after July 1, 2015, to add a life insurance article to conform to the Plan's original intent and current practice, attached hereto as Attachment A, and to make certain other conforming and clarifying changes to the STAR documents. Mrs. Bennett stated the QDRO Procedures will be in effect November 1, 2015. Mrs. Bennett recommended adopting the amendment on Second Reading.

Vice Chairman McBride asked if anyone was present to speak at the public hearing. No one was recognized by the Vice Chairman.

After discussion by the Board Members, a motion was made by Mr. Caldwell to approve Amendment No. 4 to the 2014 Sheriff's Total Accumulation Retirement Plan on Second Reading. The motion was seconded by Commissioner Ownby and unanimously approved.

Amendment No. 4 is as follows:

Notice of 4th Amendment to the Knox County Sheriff's Total Accumulation Retirement Plan

A RESOLUTION OF THE KNOX COUNTY RETIREMENT AND PENSION BOARD

WHEREAS, Knox County Government has adopted the Knox County Sheriff's Total Accumulation Retirement Plan, effective January 1, 2014 ("STAR"); and,

WHEREAS, pursuant to Section 8.20 of STAR, the Knox County Retirement and Pension Board (the "Board") has the right at any time to modify, alter or amend STAR, in whole or in part, by instrument in writing duly executed; and the Actuary has determined that this Amendment will have no measurable net cost to the County; and,

WHEREAS, the Board wishes to further amend STAR to comply with State legislation requiring local governmental plans to honor certain Qualified Domestic Relations Orders issued after July 1, 2015; to add a life insurance article to conform to the Plan's original intent and current practice, attached hereto

as Attachment A and to make certain other conforming and clarifying changes to the STAR document; and

WHEREAS, the Board has complied with the provisions of Section 8.20.

NOW THEREFORE BE IT RESOLVED that STAR shall be and is hereby amended, effective November 1, 2015, as follows:

1. **Article I, Section 1.04** is amended by inserting “, the Code, the Plan and the Plan’s QDRO Procedure” to the end thereof.

2. **Article I, Section 1.76** is amended to read as follows:

1.76 “Qualified Domestic Relations Order” or “QDRO” shall mean a Domestic Relations Order that creates or recognizes the existence of an Alternate Payee’s right to, or assigns to an Alternate Payee the right to, receive all or a portion of the benefits payable to a Participant under the Plan, subject to applicable Tennessee law, the Code, the Plan and the Plan’s QDRO Procedure.

3. **Article II, Section 2.04(n)** is amended to read as follows:

(n) As provided in Section 8.13, to establish reasonable procedures for determining if a Domestic Relations Order received by the Board is a Qualified Domestic Relations Order;

4. **Article VI, Section 6.01(a)** is amended to read as follows:

(a) **Determination of Value.** The value of an Individual Account to be distributed pursuant to the standard form of benefit described in Section 6.01(d) or (e) shall be equal to the Vested balance of such Individual Account as of the Participant’s Severance Date, together with earnings, gains or losses credited or charged thereto to the date of distribution, less the portion of such account, if any, which is assigned to an Alternate Payee in accordance with the terms of a Qualified Domestic Relations Order, and less the portion of such account, if any, applied pursuant to Section 8.02 to obligations of the Participant which may be owed to the Employer. Prior to and during distribution, a Participant’s Individual Account shall continue to be subject to adjustment for investment gains and losses and any assignment of benefits to an Alternate Payee.

5. **Article VI, Section 6.01(b)(3)** is amended to read as follows:

(3) Any payment made in accordance with the provisions of the Plan to a Participant, Beneficiary, Alternate Payee or legal representative, shall constitute full satisfaction of claims hereunder against the Trustee and the Board as to the method of computation as well as the amount thereof. The Trustee or the Board may require such Participant, Beneficiary, Alternate Payee or legal representative, as a condition precedent to such payment, to execute a receipt and release therefor in such form as the Trustee or Board may require.

6. **Article VII, Section 7.02** is amended by replacing the second paragraph thereof with the following:

A Participant who is receiving benefit payments in installments pursuant to the terms of Sections 6.01(d), 7.01(a), 7.01(b) or 7.01(c) shall be permitted to make one change to such election, to any of the optional forms of benefit described in Section 7.01, at any time after benefit payments have commenced, including the following:

7. **Article VII, Section 7.04(d)** is deleted in its entirety and replaced with "Reserved."
8. **Article VIII, Section 8.13** is amended to read as follows:

8.13 Qualified Domestic Relations Order Procedure

(a) The Administrator shall determine if any Domestic Relations Order received is a Qualified Domestic Relations Order in accordance with applicable Tennessee law, the Code, the Plan and the Plan's QDRO Procedure. The Administrator shall administer such Qualified Domestic Relations Order in accordance with the Plan and the QDRO Procedure.

(b) The Board shall establish and may amend from time to time procedures to determine whether a Domestic Relations Order is a Qualified Domestic Relations Order (including provisions on the suspension of benefits during such determination and the fee schedule applicable to the review of Domestic Relations Orders) and to administer the distribution of benefits assigned to an Alternate Payee by a Qualified Domestic Relations Order.

(c) A Domestic Relations Order shall only be accepted as a Qualified Domestic Relations Order if it provides, in lieu of any other form or time of distribution permitted by this Plan to Participants, Beneficiaries or survivors, for any benefit assigned to the Alternate Payee to be distributed exclusively in the form of a single lump sum in accordance with the Administrator's regular payment procedures after the Administrator's acceptance and approval of such Qualified Domestic Relations Order.

(d) The Participant's account shall be reduced by the amount, if any, assigned to the Alternate Payee pursuant to a Qualified Domestic Relations Order directed at the Plan.

(e) The life insurance benefit described in Article IX of this Plan is not subject to assignment by a Domestic Relations Order.

9. **Article VIII, Section 8.17** is amended to read as follows:

8.17 Receipt and Release for Payments

Any payment to any Participant, his legal representative, Beneficiary, Alternate Payee or to any guardian or committee appointed for such Participant, Beneficiary or Alternate Payee in accordance with the provisions of the Plan, shall, to the extent thereof, be in full satisfaction of all claims hereunder against the Trustee, the Employer or the Board, or any Employee or public official acting in good faith for or on behalf of the Plan, any of whom may require such Participant, legal representative, Beneficiary, Alternate Payee or guardian or committee, as a condition precedent to such payment, to execute a receipt and release thereof in such form as shall be determined by the Trustee or Board.

Attachment A:

1. The Plan is amended by inserting the following new **Article IX** to the end thereof:

ARTICLE IX - LIFE INSURANCE BENEFITS

9.01 Life Insurance Benefits

Separate from the tax-qualified retirement plan described in Articles I through VIII, life insurance benefits shall be made available to Eligible Employees under a group term life insurance contract with an

established and reputable life insurance company, the terms and provisions of such contract to be approved by the Board. The Board is empowered to make such changes in the terms and provisions of the insurance coverage and contract providing therefor as seems necessary from time to time having regard for the best interest of Eligible Employees. The Board shall seek such actuarial and other technical advice regarding the terms and provisions of said contract as it deems necessary to ensure that sound actuarial principles and practical administrative procedures are followed. Such benefits shall be so designed that the costs thereof are reasonable in relation to the ability of the average Eligible Employee to pay the cost. The insurance program created by this Article IX is not provided under Code 401(a) and is not subject to assignment by a QDRO under Article VIII, Section 8.13.

9.02 Selection of Insurers

The Board, together with the Actuary and legal counsel, shall prepare bid specifications for submission to insurers interested in providing the benefits described in this Article IX. Notice of the request for bids shall be published or distributed in accordance with prevailing practice at least thirty (30) days prior to the date specified by the Board for the receipt of such bids. Any reasonable action by the Board in securing such bids shall be deemed to be in accordance with this Section 9.02. The bid solicitations shall include, inter alia, the following specifications: a detailed description of the benefits to be provided, a copy of this Article IX, a compilation of Eligible Employee data and a list of services to be provided by the insurer, as determined by the Board, including, but not limited to, service in enrolling new Eligible Employees, preparation of booklets, the extent to which the insurer will pay claims and provide administrative details, and a list of questions to be answered by the insurer.

The Board shall select a single insurer to provide group type life insurance coverage in accordance with this Article IX. The Board's decision shall be final. The Board shall select an insurer on the basis of low retention consistent with the services to be provided. No insurer shall be eligible for consideration unless it can demonstrate considerable experience in administering group life insurance. Upon selection of an insurer, the Board shall be authorized and empowered to execute a group contract with such insurer in order to effectuate coverage for benefits.

9.03 Eligibility

Subject to such rules and provisions as may be prescribed in the contract providing such benefits, each Eligible Employee shall be eligible for the benefits referred to in Section 9.01 in accordance with the provisions of the applicable contract.

A Retired Participant who is reemployed in the Ineligible Class shall not be eligible for life insurance benefits under this Article IX.

9.04 Employee Contributions for Insurance Benefits

Participants who are covered for life insurance benefits in accordance with this Article IX may be required to pay Employee contributions for such benefit for each payroll period during which they are covered for such benefits, commencing on the Effective Date and on each date thereafter as the Board in its sole discretion shall determine. The Board shall establish an Employee rate structure for life insurance benefits in accordance with recommendations of each insurer.

9.05 Review of Performance of Insurer

The Board shall annually review the performance of each insurer that provides coverage and if the Board determines that it is in the best interest of the Employer to resubmit specifications and select a new insurer it may do so in a manner consistent with this Article IX.

IN RE: PUBLIC HEARING AND SECOND READING OF AMENDMENT NO. 6 TO THE 2014 KNOX COUNTY EMPLOYEE DISABILITY BENEFIT PLAN.

Mrs. Bennett presented Amendment No. 6 to the 2014 Knox County Employee Disability Benefit Plan to the Board for consideration. Mrs. Bennett stated the amendment is to comply with State law regarding the assignment of Disability Benefits by Domestic Relations Orders and to make certain other clarifying and conforming changes to the document. Mrs. Bennett recommended adopting the amendment on Second Reading.

Vice Chairman McBride asked if anyone was present to speak at the public hearing. No one was recognized by the Vice Chairman.

After discussion by the Board Members, a motion was made by Mr. Caldwell to approve Amendment No. 6 to the 2014 Knox County Employee Disability Benefit Plan on Second Reading. The motion was seconded by Commissioner McKenzie and unanimously approved.

Amendment No. 6 is as follows:

**Notice of 6th Amendment to the
Knox County Employee Disability Benefit Plan**

**A RESOLUTION OF
THE KNOX COUNTY RETIREMENT AND PENSION BOARD**

WHEREAS, Knox County Government has adopted the Knox County Employee Disability Benefit Plan, effective January 1, 2014 (the "Disability Plan"); and,

WHEREAS, pursuant to Section 7.20 of the Disability Plan, the Knox County Retirement and Pension Board (the "Board") has the right at any time to modify, alter or amend the Disability Plan, in whole or in part, by instrument in writing duly executed; and the Actuary has determined that this Amendment will have no measurable net cost to the County; and,

WHEREAS, the Board wishes to further amend the Disability Plan to comply with State law regarding the assignment of Disability Benefits by Domestic Relations Orders and to make certain other clarifying and conforming changes to the Disability Plan document; and

WHEREAS, the Board has complied with the provisions of Section 7.20.

NOW THEREFORE BE IT RESOLVED that the Disability Plan shall be and is hereby amended, effective November 1, 2015, as follows:

1. **Article I, Section 1.05** is deleted in its entirety and replaced with "Reserved."
2. **Article I, Section 1.23** is amended to read as follows:
 - a. "Disability Benefit Payment Commencement Date" shall mean the first day of the calendar month set by the Board for the commencement of payment of the Disability Benefit. The Disability Benefit Payment Commencement Date shall not be earlier than the first day of the month on or after the end of a Participant's Elimination Period.
3. **Article I, Section 1.26** is deleted in its entirety and replaced with "Reserved."
4. **Article I, Section 1.24** is amended to read as follows:

- a. "Disability Date" shall mean, for each Participant, the earliest date the Participant is Disabled, as supported by a written statement from a medical doctor. The Board's determination of a Participant's Disability Date shall be final.
5. **Article VII, Section 7.02** is amended by deleting the phrase "payment pursuant to a Domestic Relations Order and" from the last sentence thereof.
6. **Article VII, Section 7.13** is deleted in its entirety and replaced with "Reserved."

IN RE: INVESTMENT AND RETIREMENT EDUCATION COMMITTEE

Mrs. Bennett stated there are two Investment and Retirement Education seminars this week which will be the last seminars until January 2016. She stated the educational seminars are being suspended due to retiree and active open enrollment meetings and other end of year deadlines.

IN RE: REPORT OF LEGAL COUNSEL

Mr. Mason stated there was no business to report at this time.

Mrs. Coleman stated the draft Charter School agreement is being reviewed by Emerald Charter Schools' legal counsel. She advised Emerald Charter School has purchased a disability plan so Knox County Retirement will not be liable.

Mr. Owings stated in the case of Justin Stafford, his attorney is trying to serve the Knox County Retirement & Pension Board but has not as yet. He stated there will be more information within the next month. Mr. Owings stated there is no application for QDRO filed with the court.

IN RE: REPORT OF ACTUARY

Mr. Cross presented the Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 reports for each of the defined benefit pension Plans, and the GASB Statement Nos. 43 and 45 report for the Disability Plan, as of June 30, 2015, to the Board, explaining different methodologies used between these accounting reports and the annual valuation reports previously presented and accepted by the Board as of January 1, 2015. He reported the GASB funded status based on market value of assets, and the accounting expense for each plan. He told the Board that he recommended public comments about the funded status of the Plans be based on the actuarial valuation reports; the accounting treatment of the Plans' financial status would be presented in the County's CAFR based on these GASB reports.

Mr. Cross and Mr. Caldwell told the Board that the County's participation in TCRS has resulted in allocation of an accounting pension asset for GASB purposes.

IN RE: REPORT OF INVESTMENT COMMITTEE

Mr. McBride stated Wilshire Consulting Group has notified the Retirement & Pension Board of the promotion of Andrew Junkin to President of Wilshire succeeding Julia Bonafede, who resigned after 24 years.

Mr. McBride stated the next Investment Committee Meeting is on November 10th and that, without objection, he would like to change the meeting time from 1:00 p.m. to 10:00 a.m. on that date.

Mr. McBride presented the rates of return as of September 30, 2015, from USI that were previously distributed to the Board Members.

IN RE: STATEMENT OF ACCOUNTS AS AUDITED AND RECOMMENDED FOR PAYMENT BY KIM BENNETT, EXECUTIVE DIRECTOR

The following statement of accounts for professional services was presented for consideration of approval of payment, as in accordance with agreements and audited and recommended for payment by Mrs. Bennett:

Invoices for October 2015

KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice #194662	\$14,286.50
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice #194664	\$624.00
KENNERLY, MONTGOMERY & FINLEY, P.C. Invoice #194665	\$354.00
ROBERTSON OVERBEY Account #2126M	\$212.50
USI CONSULTING GROUP Invoice #90007903	\$28,124.00
USI CONSULTING GROUP Invoice #90008072	\$33,702.63
Totals for October 2015	\$77,303.63

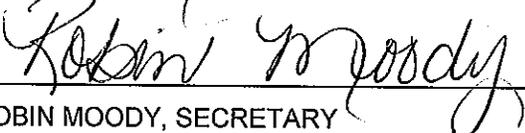
After review of the statement of accounts and invoices, a motion was made by Commissioner Brantley that the Board authorize the payment indicated above to be paid from the designated State Street funds. The motion was seconded by Commissioner McKenzie and unanimously approved.

ADJOURNMENT

As there was no further business to come before the Board, the meeting was adjourned in order.



RICK TROTT, CHAIRMAN



ROBIN MOODY, SECRETARY