

**CITY OF KNOXVILLE PENSION SYSTEM
PENSION PROVISION SUMMARY
PLAN B – General Government Employees**

This document was prepared on February 10, 2015 and all information is believed to be correct as of this date. All information on pension system provisions contained in this document are subject to the City of Knoxville Charter provisions on pensions (title XIII). Actual benefits payable must be in accordance with such provisions. Plan B is a closed plan.

Participation: Plan B was created in 1935. Employees hired on or after 1/1/1935 through 1/15/1963 were required to participate in Plan B.

Employees Contributions: Employees contributed 4% of base salary.

Employer's Contributions: Determined actuarially to fully fund benefit

Credited Service: All service in a pension covered position with the City during which member participates and makes required employee contributions.

Final Average Monthly Salary: Determined by the two (do not have to be consecutive) twelve month (must be consecutive months) periods when divided by 24 yields the highest monthly average.

Normal Retirement Benefit: Monthly benefit payable determined by 50% the Final Average monthly salary and then an additional "Longevity Benefit" of an additional 1% of final average monthly salary payable for each additional year over 25 years to a maximum of 10%.

Employees who terminate employment prior to completing ten years of service are entitled to a return of their employee contributions plus 4% simple interest computed on each beginning calendar year balance.

Significant Dates:

10th year of creditable service: Employees vested for a lifetime monthly benefit beginning at age 50 after 25 years of service. Survivor benefits are payable if member were to die while in service with the City. Employee should file a pre-retirement optional benefit form to direct any benefits which may be payable with the Pension Board.

15th year of creditable service: Active Employee with at least 15 years of service who is determined to be disabled by the pension board is entitled to a not in line of duty disability benefit.

25th year of creditable service: Employees are eligible for retirement. Member may apply for a benefit to begin upon termination of employment at age 50. Benefit will be calculated as described above for Normal Retirement Benefit.

Members at retirement have several alternate retirement options in lieu of the Normal Retirement Benefit. There are Joint and Survivor options (50, 75, 100%), period certain options (5, 10, 15 years) and a cash refund option. Plan B also had a built in 50% of of final average monthly salary to the surviving spouse unless one of the above options is chosen.

Post Retirement (COLA) Adjustments:

Increase Amount: Payees less than age 62 on January 1st of each year will receive a 3% post retirement adjustment. Payees age 62 or older on January 1st of each year will receive a 3% plus one-half of Consumer Price Index ("CPI") above 3% with a maximum of 4%.

Benefit Adjustment Base: Monthly benefit amount as of the immediately preceding December for all payees

Note: Plan B members are not covered by Social Security.

Please contact the Pension Office at 215-1444 for additional details on these options and other information on Plan A.