



# Municipal Employees' Benefit Trust

## Redmond MEBT Plan CONTRIBUTION ELECTION FORM

Return this form to:  
City of Redmond  
Human Resources  
MS: 3NHR  
P.O. Box 97010  
Redmond, WA 98073

Use this form to enroll in MEBT or make a contribution change to an existing MEBT Account. Save a copy of the completed form for your files. Please contact Human Resources at (425) 556-2120 for additional information.

### Section A: PARTICIPANT INFORMATION – Please type or print with ballpoint pen

Name Last, First, Middle	Social Security Number	Date of Birth month/day/year	
Permanent Address	City	State	Zip
Telephone Number ( )	Check one: <input type="checkbox"/> New Account <input type="checkbox"/> Change		

### Section B: ELECTION OPTIONS – \*COMPLETE APPROPRIATE COLUMN DEPENDING ON DATE OF HIRE

Effective the  10<sup>th</sup> or  25<sup>th</sup> pay day of \_\_\_\_\_, 20\_\_\_\_\_.

*If hired on or after April 1, 1986,*

#### 1. My Contribution to the Basic Account

I want to defer taxes on my contributions:  
 Deduct \_\_\_\_\_% (6.2% of my compensation<sup>1</sup>)  
 I want to pay taxes now on my contributions:  
 Deduct \_\_\_\_\_% (6.2% of my compensation<sup>1</sup>)

#### 2. My Contribution to the Extra Account (Not Eligible for City Contributions)

**Prerequisite: Contributing 6.2% in Basic Account**

I want to defer taxes on my contributions:  
 Deduct \_\_\_\_\_% or  
 I want to pay taxes now on my contributions:  
 Deduct \_\_\_\_\_%.

*If hired before April 1, 1986,*

#### 1. My Contribution to the Basic Account

I want to defer taxes on my contributions:  
 Deduct \_\_\_\_\_% (7.65% of my compensation<sup>1</sup>)  
 I want to pay taxes now on my contributions:  
 Deduct \_\_\_\_\_% (7.65% of my compensation<sup>1</sup>)

#### 2. My Contribution to the Extra Account (Not Eligible for City Contributions)

**Prerequisite: Contributing 7.65% in Basic Account**

I want to defer taxes on my contributions:  
 Deduct \_\_\_\_\_% or  
 I want to pay taxes now on my contributions:  
 Deduct \_\_\_\_\_%.

#### 3. Decline or Suspend My Contributions

I elect to decline/stop MEBT Basic Contributions  I elect to stop Extra Account Contributions

If I decline/suspend contributions to my Basic Account, I understand I am not eligible to receive City Contributions, I must stop contributing for 12 months and I do not earn vesting credits (if you are not fully vested). I may resume my Extra Account contributions at any time if I am eligible to participate in MEBT by completing a new election form.

### Section C: MY ACKNOWLEDGEMENT

I have read and understand the Summary Description information printed on the second page of this form. I also understand this election form supersedes any previous MEBT contribution election and that it is my responsibility to monitor the accuracy of account contributions by reviewing my quarterly statement and my payroll advices. If I am maximizing contributions under IRS deferral limits, I am responsible for monitoring my contributions by reviewing my payroll advices and I may need to make adjustments during the year to increase or decrease contributions due to changing compensation, deductions, and MEBT Plan limitations.

Signature \_\_\_\_\_

Date \_\_\_\_\_

### Section D: MEBT AUTHORIZATION \_\_\_\_\_

Hire Date Verified \_\_\_\_\_

Participants are encouraged to consult a qualified financial tax advisor for retirement planning assistance. Please refer to the Summary Information on this form, the MEBT Summary Plan Description (SPD) for additional information or contact Human Resources. Tax information is available in IRS Publication 575-Pension and Annuity Income and at [www.irs.gov](http://www.irs.gov).

<sup>1</sup> **Compensation** includes all taxable compensation such as gross salary, overtime, etc., paid for services, but excludes reimbursements, or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits and other such small amounts designated incentive payments (e.g.: wellness bonus, medical waivers, taxable tuition or education assistance, tool allowance, taxable relocation and clothing allowance).

# Summary Description of your MEBT Accounts

(Summary information only – the Redmond MEBT Plan Document will control in the event of a conflict)

The City of Redmond formed the Municipal Employees' Benefit Trust (MEBT) under federal law that allowed governmental organizations to opt out of the Social Security program. Social Security credits are not earned by employees at the City of Redmond. MEBT is similar to Social Security because, like Social Security, it also provides retirement and disability benefits for you and, in case of death, benefits for your beneficiaries. Unlike Social Security, your individual vested account balance increases based on contributions and fluctuates based on market performance, and the account belongs to your beneficiary upon your death.

*As an eligible employee, you can make contributions to your MEBT account subject to Internal Revenue Code Deferral Limits and Annual Addition Limits. Within MEBT there are employee contributions and an employer account for the City's contribution. Employee contributions may be made pre-tax (you defer income tax on these contributions until you take a distribution) or after-tax (you pay income tax now prior to making the contribution).*

## Pre-Tax and After-Tax Basic Accounts

- If you were hired **before April 1, 1986**, your contributions of 7.65% of your compensation<sup>1</sup> up to the Social Security Wage Base (Current amounts are posted yearly at [www.ssa.gov](http://www.ssa.gov) and [www.MEBT.org](http://www.MEBT.org). You may also obtain this information from your employer) are deposited in your Basic Account and are eligible for City contributions. If your salary is above the Wage Base and you make contributions, you may use the extra accounts. You do not participate in Medicare with the City of Redmond.
- If you were hired **on or after April 1, 1986**, your contributions of 6.2% of your compensation<sup>1</sup> up to the Social Security Wage Base (Current amounts are posted yearly at [www.ssa.gov](http://www.ssa.gov) and [www.MEBT.org](http://www.MEBT.org). You may also obtain this information from your employer) are deposited in your Basic Account and are eligible for City contributions. If your salary is above the Wage Base and you make contributions, you may use the extra accounts. Because you participate in Medicare, the City contributes 1.45% to Medicare on your behalf.

## Pre-Tax and After-Tax Extra Accounts

You must participate at the required maximum level in your Basic Account to contribute to the Extra Account. These contributions enhance your retirement savings but are not eligible for matching contributions from the City. You may make pre-tax or after-tax contributions to your Extra Account.

## Contribution limits

You may contribute up to the limits set by the Internal Revenue Service. There are two limits that apply: 1) The Deferral Limit that includes the amounts deferred in your Pre-Tax Basic Account and your Pre-Tax Extra Account. If you turn 50 or older in the current year, you may contribute an additional amount. When your tax-deferred contributions meet the deferral limit applicable to your age, your contributions will cease unless you have elected to make after-tax contributions. 2) The Annual Additions limit includes all your employee and employer contributions to MEBT (tax-deferred and after-tax) plus any PERS 3 employee contributions and limits them to the lesser of the yearly Annual Additions Limit, or your compensation less your PERS or LEOFF contributions. The Annual IRS Salary Deferral contribution limits are subject to change and posted yearly to [www.IRS.gov](http://www.IRS.gov) and [www.MEBT.org](http://www.MEBT.org).

## Employer Contribution Account

The City's contribution to MEBT equals the sum of what it would have paid for each Eligible Employee (as defined in the Plan) under Social Security plus certain amounts for MEBT II employees and expenses associated with MEBT II employees. The City contribution is reduced by insurance premiums to pay for the Survivor & Disability Benefits Plan and Medicare contributions. The remaining amount is deposited to the City's Contribution Account in the Trust, and is reduced by plan expenses, etc. and is increased by forfeitures of non-vested employer accounts from separating employees. This becomes the City contribution that is allocated each pay period (80% of your eligible contributions) to contributing participants with the remaining amount allocated at year end. It is allocated pro-rata, based on individual employee contributions that are eligible for City matching contributions. Historically, the match has been about \$.80 per dollar contributed by each participant and will vary in the future, depending on the deductions and additions described earlier.

You become vested (gain ownership) in your Employer Contribution Account over time. MEBT has a 5-year vesting schedule that applies to contributions made by the City. After 12 months of participation, you become 20% vested in your Employer Account, and your vesting increases at 1.666% per month (20% per year) after that. After five years you become 100% vested in your employer contributions. You earn vesting credit only during the months you are actively participating in MEBT. (Months of participation mean that you participate in MEBT for at least 15 days each month.) You will also become 100% vested if, while employed by the City, you die, become disabled or are laid off. You also become 100% vested when you reach your Normal Retirement Date (the earlier of age 65 or the earliest service retirement date under any other retirement program to which the City contributes on your behalf). If you separate from the City prior to 5 years of participation for any other reason, you will forfeit the unvested portion of your City contributions, based on the vesting schedule.

<sup>1</sup> **Compensation** includes all taxable compensation such as gross salary, overtime, etc., paid for services, but excludes reimbursements, or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits and other such small amounts designated incentive payments (e.g.: wellness bonus, medical waivers, taxable tuition or education assistance, tool allowance, taxable relocation and clothing allowance).