

# The City of Lincoln Employees Retirement Plan

## PLAN HIGHLIGHTS

### Eligibility and Enrollment

#### Which employees are eligible to participate in the plan?

All employees are eligible to participate in the Plan except for:

- Commissioned employees
- Employees covered by any other retirement plan funded by the City of Lincoln

#### Are there minimum requirements to participate?

Participation is open to employees who have met the following requirement(s):

- Completion of 6 months of service as defined by the Plan
- Attained age 19 or older

#### When may I join?

Participation in the Plan is required upon attaining age 40 and completing 5 years of service.

### Contributions – Employee

#### Am I required to contribute to my Plan?

Pre-tax contributions of 3% of the first \$4,800 of compensation plus 6% of compensation in excess of \$4,800, are required as a condition of participating in the Plan. The Employee pre-tax contribution will be 7% of Compensation for the following: Employees in a position and pay range prefixed by the letter A, B, C, E, M, N or X.

### Contributions – Employer Match

#### Does my employer offer matching contributions?

The City of Lincoln will make a contribution of 6.3% of the first \$4,800 of compensation plus 12% of your compensation in excess of \$4,800 to the Plan. The Employer contribution will be 9% of Compensation for the following: Employees in a position and pay range prefixed by the letter A, B, C, E, M, N or X.

#### When will I receive my employer matching contributions under the Plan?

The period for determining matching contributions is the payroll period.

### Rollovers

#### Are rollovers accepted?

Yes, rollovers are accepted into your employer's retirement plan. You may do so at any time according to the rules below. Refer to the back of the enrollment book to learn "Why Rollovers Make So Much Sense" and then complete the form.

Only employees that have met the participant requirements may roll money into this plan.

Rollovers may be received from the following qualified retirement accounts:

- Qualified Plans
- Eligible 403(b) plans
- Taxable IRAs

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**Vesting**

**What is vesting?**

Vesting is the amount of time it takes for an employee to own the employer's contribution to the Plan. The employee vests (or acquires ownership) of the employer's contribution according to a vesting schedule set by the employer.

**How do I become vested in my retirement plan account?**

You are always 100% vested in your employee contributions and rollover account, plus any earnings they generate.

Employer contributions to the Plan, plus any earnings they generate are vested based upon your years of participation in the Plan.

You will become vested in your employer match account based on the completion of the following schedule:

1 year	0%
2 years	0%
3 years	20%
4 years	40%
5 years	60%
6 years	80%
7 years	100%

Regardless of the vesting schedule, you will become 100% vested upon:

- Death
- Disability
- Attainment of the Plan's normal retirement age
- Attainment of the Plan's early retirement age

**Retirement Ages**

**What is considered "normal retirement age" according to the Plan?**

The Plan considers age 62 to be "normal retirement age."

**What is considered "early retirement age" according to the Plan?**

Attainment of age 50 and completion of 25 continuous years of service with the City of Lincoln.

**Access to Your Retirement Plan**

**Can I take money out of my account?**

The federal government established retirement plans to help you prepare for retirement. For that reason, there are certain restrictions regarding withdrawals and distributions. Remember to consider the tax and long-term savings implications of taking money out of your retirement plan account.

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**May I withdraw money from my account while still employed?**

- In-service distributions will only be permitted from an employee rollover source

**Do I direct the investments of my account?**

Yes, a participant directs all the investments in the account.

**What is automatic rebalancing?**

Automatic portfolio rebalancing returns the asset allocation of your investments to the original percentages that you selected for your portfolio. Consider the advantages and select the automatic schedule – quarterly, semiannual or annual – that is right for your personal situation.

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