



Municipal Employees' Benefit Trust

Edmonds MEBT Plan CONTRIBUTION ELECTION FORM

Return this form to:
MEBT Human Resources
121 Fifth Avenue North
Edmonds, WA 98020

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 Retirement Services at (425) 775-2525 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		Employee #

Section B: CONTRIBUTION ELECTION ADDITIONS/CHANGES

1. Mandatory MEBT Contribution to the Basic Account

I understand 6.2% of my MEBT compensation¹ will be deducted from my pay and contributed to my MEBT Pre-Tax Basic Account. The amount necessary to pay the insurance premiums for life insurance will be included as taxable income and the remainder will be contributed before taxes.

Note: for those hired before April 1, 1986 complete this form to change Extra Contributions; your mandatory contributions are 7.65% of MEBT compensation¹.

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

I want to contribute the following amounts and understand it will be on an after tax basis (e.g., I will pay taxes now on my contributions):

Deduct _____% or \$_____ each pay period effective _____, 20_____.

3. Decline or Suspend My Extra Contributions

I elect to stop Extra Account Contributions

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 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 annual 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 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.

¹ **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.

Summary Description of your MEBT Accounts

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

The City of Edmonds 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 Edmonds. 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 are required to make contributions to your MEBT account subject to Internal Revenue Code Annual Addition Limits. Within MEBT there are employee contributions and an employer account for the City's contribution. Employee contributions are 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 – for the insurance premium portion of the mandatory contribution).

Pre-Tax Basic Account

- If you were hired **before April 1, 1986**, your required contributions of 7.65% of your compensation¹ up to the Social Security Wage Base (Current amounts are posted yearly at www.ssa.gov and www.MEBT.org. You may also obtain this information from your employer) are deposited in your Basic Account and are eligible for City contributions. When your compensation is greater than the Social Security Wage Base, your required contributions up to 1.45% of your compensation are also deposited in your Basic Account and are eligible for City contributions. Extra (voluntary) After-Tax Account contributions can continue to be made even after reaching the Wage Base maximum. You do not participate in Medicare with the City of Edmonds.
- If you were hired **on or after April 1, 1986**, your required contributions of 6.2% of your compensation¹ up to the Social Security Wage Base (Current amounts are posted yearly at www.ssa.gov and www.MEBT.org. You may also obtain this information from your employer) are deposited in your Basic Account and are eligible for City contributions. Extra (voluntary) After-Tax Account contributions can continue to be made even after reaching the Wage Base maximum. Because you participate in Medicare, the City contributes 1.45% to Medicare on your behalf.

After-Tax Extra Account

These contributions enhance your retirement savings but are not eligible for matching contributions from the City. You may only make after-tax contributions to your Extra Account.

Contribution limits

You may contribute up to the limits set by the Internal Revenue Service. The Annual Additions limit for 2009 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 yearly Annual Additions Limit, or your compensation less your PERS or LEOFF contributions. The IRS Annual Additions Limit is subject to change and posted yearly to www.IRS.gov and www.MEBT.org.

Employer Contribution Account

The City's contribution to MEBT equals the sum of what it would have paid for each employee under Social Security. The City contribution is reduced by insurance premiums to pay for the 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 and is increased by forfeitures of non-vested employer accounts from separating employees. This becomes the City contribution that is allocated monthly to contributing participants. It is allocated pro-rata, based on individual employee contributions that are eligible for City matching contributions. Historically, the match has been about \$.90 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 7-year vesting schedule that applies to contributions made by the City. After 12 months of participation, you become 10% vested in your Employer Account, and your vesting increases at 1.25% per month (15% per year) after that. After seven years you become 100% vested in your employer contributions. You earn vesting credit only during the months you are actively participating in MEBT. 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 7 years of participation for any other reason, you will forfeit the unvested portion of your City contributions, based on the vesting schedule.

¹ **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.