

**CITY OF NEW ORLEANS
EMPLOYEES' RETIREMENT SYSTEM
ADMINISTRATIVE PROCEDURES**

Date: December 11, 2009

Re: 2009 Interim Procedures

These Administrative Procedures (the "Procedures") are made by the Board of Trustees (the "Trustees") of the City of New Orleans Employees' Retirement System (the "System"), and, pending formal adoption in the form of an ordinance, are intended to evidence a good faith operational guidance with respect to the interpretation and construction of the Ordinances of the City of New Orleans, Section 114- 56 et. seq. (the "Ordinances") and an administrative action pursuant to the power and authority granted to the Trustees under the provisions of Ordinance Section 114-86.

1. Effective Date; Purpose. The System is a governmental retirement plan within the meaning of Section 414(d) of the Internal Revenue Code of 1986, as amended (the "Code"); these Procedures are intended to adopt the applicable provisions of the Pension Protection Act of 2006, and to incorporate certain other legislative and regulatory changes. These Procedures shall be effective as of the dates set forth below.

2. Direct Rollovers From the System. Ordinance Section 114-222 provides for the direct rollover of certain eligible distributions from the System to an eligible retirement system, plan or account. Such section shall be administratively construed to include the following provisions:

- a. Direct rollovers may be made to an individual retirement account or annuity within the meaning of Code Section 408, a qualified employee benefit plan within the meaning of Code Section 401(a), an eligible governmental system within the meaning of Code Section 457(b), and to an eligible ROTH account within the meaning of Code Section 408A; for periods on or after January 1, 2020, a rollover to a ROTH account may be made without regard to a member's income.
- b. A designated beneficiary, other than a member's spouse, may direct the System to roll over his or her interest in the System, provided that such rollover shall be made in the form of a direct rollover to an individual retirement account or annuity. Rollovers hereunder shall be permitted on or after January 1, 2008.
- c. Rollovers hereunder shall be permitted with respect to amounts paid from the System in the form of an "eligible rollover distribution" within the meaning of Code Section 402(c)(4); no amount rolled over hereunder shall otherwise constitute a minimum required distribution within the meaning of Code Section 401(a)(9).

3. Minimum Required Distributions. Ordinance Section 114-202 provides for required minimum distributions within the meaning of Code Section 401(a)(9); such section shall be administered in good faith in accordance with the regulations promulgated thereunder, subject to the following:

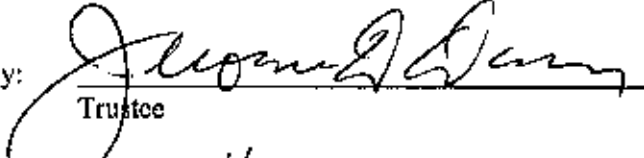
- a. There shall be no waiver of minimum required distributions for the 2009 calendar year.
- b. Distribution from any DROP Account established in accordance with Ordinance Section 114-231 shall commence or be made not later than a member's required beginning date, determined in accordance with Code Section 401(a)(9), as the later of (i) the year in which such member attains age 70 1/2, or (ii) the year in which separation from service occurs,

either subject to the delay afforded the first minimum required distribution under Code Section 401(a)(9). To the extent such account is paid in a form other than a single-sum, an annuity for the life of the member or a joint and survivor annuity designating the member's spouse as his or her joint annuitant, the amount distributed annually shall not be less than the member's minimum required distribution determined under Code Section 401(a)(9) and the regulations promulgated thereunder.

- c. Notwithstanding any provision of Ordinance Section 114-202 to the contrary, to the extent any benefit is paid from the System after a member's required beginning date, the amount of such benefit shall not be less than such member's minimum required distribution, determined in accordance with Code Section 401(a)(9) and the regulations promulgated thereunder.

4. **Code Section 415 Limits.** Under Ordinance Section 114-205, annual benefits payable from the System are subject to the limitations imposed under Code Section 415 and the regulations promulgated thereunder. The annual benefit otherwise payable to a member from the System during a limitation year shall not exceed the maximum benefit allowed under Code Section 415, as adjusted from time to time. If the benefit a member would otherwise be paid in a limitation year would be in excess of such maximum, such benefit shall be reduced to a benefit that does not exceed the maximum benefit. For this purpose, the limitation year shall be the calendar year; such year shall be modified only by amendment; provided, however, that in the event the System is terminated, the effective date of such termination shall be deemed the last day of the limitation year without the necessity of further action.

These Procedures were adopted by the Board of Trustees of the City of New Orleans Employees' Retirement System on December 11, 2009, to be effective as of the dates set forth above.

By: 
Trustee
Date: December 11, 2009