

Sec. 66. Funding Requirements; Contributions.

- (1) The Defined Benefit Component shall be determined as provided in section 68, and shall be funded exclusively by the municipality or court with no member contributions permitted, except as provided under subsection (3).
- (2) The Defined Contribution Component shall be determined as provided in section 69, except as provided under subsection (3). Contributions shall be made by the member and the municipality or court as provided by bargaining agreement or personnel policy applicable to the same benefit program coverage classification. Unless specifically restricted by this Plan or the Retirement Board, a municipality or court is authorized to offer any rights, benefits, or features authorized for defined contribution plans under the IRC of 1986, as amended.
- (3) The participating municipality or court may elect in the Hybrid Plan Adoption Agreement to cap annual employer contributions to a fixed percentage of compensation.
 - (a) During periods when the total contribution requirement to fund the Defined Benefit Component of the Plan is below the employer cap percentage, the employer shall pay the entire cost of the Defined Benefit Component. In addition, the employer shall make employer contributions to the Defined Contribution Component of the Plan in an amount so that the total employer contribution to the Plan is equal to the employer cap. During such periods, no member contributions shall be permitted to the Defined Benefit Component of the Plan. At the time of adoption of the Hybrid Plan, no member contributions are permitted, and the total contribution requirement to fund the Defined Benefit Component of the Plan must be below the employer cap.
 - (b) If the total contribution requirement to fund the Defined Benefit Component of the Plan equals the employer cap percentage or more, the employer shall pay the employer cap to the Defined Benefit Component, and make no contributions to the Defined Contribution Component. In addition, members shall be required to make contributions to the Defined Benefit Component of the Plan in an amount equal to the excess of the total defined benefit contribution requirement over the employer cap employer contribution.