

TOWN OF SIMSBURY
RETIREMENT INCOME PLAN

As amended and restated
effective as of July 1, 2015

TOWN OF SIMSBURY
RETIREMENT INCOME PLAN

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TOWN OF SIMSBURY
RETIREMENT INCOME PLAN

The Town of Simsbury, a governmental entity of the State of Connecticut, has amended and restated its defined benefit pension plan in the manner set forth below.

ARTICLE I

Name and Effective Date

Section 1.1 This Plan is known as the "Town of Simsbury Retirement Income Plan".

For the period prior to July 1, 2015, the Plan was set forth in two separate documents – The Town of Simsbury General Government Employees' Retirement Income Plan and The Town of Simsbury Police Retirement Income Plan. Effective as of July 1, 2015, these Plan documents were combined, and the Plan was renamed the Town of Simsbury Retirement Income Plan.

Section 1.2 The Plan was originally effective as of July 1, 1961. This document shall be effective as of July 1, 2015.

Section 1.3 This document has been adopted in order to comply with the following legislation and the regulatory changes implementing such legislation: (a) the Economic Growth and Tax Relief Reconciliation Act of 2001, the Job Creation and Worker Assistance Act of 2002, the Pension Funding Equity Act of 2004, the American Jobs Creation Act of 2004, the Katrina Emergency Tax Relief Act of 2005, and the Gulf Opportunity Zone Act of 2005 (collectively, "EGTRRA"); and (b) the Pension Protection Act of 2006, the final regulations under Section 415 of the Code, the Heroes Earnings Assistance and Relief Tax Act of 2008, and the Worker, Retiree, and Employer Recovery Act of 2008 (collectively, "PPA").

Section 1.4 The EGTRRA changes are effective for Plan Years beginning on or after July 1, 2002, except that:

(a) The changes in the definition of "GATT Factors" in Article II of the Plan relating to the Applicable Mortality Table and Revenue Ruling 2001-62 shall apply for annuity starting dates on or after December 31, 2002.

(b) The provisions of Section 10.3 and Section 11.5 of the Plan relating to the determination of required minimum distributions shall apply for calendar years beginning with the 2003 calendar year.

(c) The changes in Section 12.2 relating to the maximum annual retirement benefit payable to a Participant for any limitation year shall apply for limitation years ending after December 31, 2001.

(d) The change in the interest rate to be used to adjust a participant's accrued benefit payable in a form other than a straight life annuity as set forth in Section 12.2(b)(i) is effective for years beginning after December 31, 2003.

(e) The changes in Section 14.1 of the Plan relating to the definitions of eligible retirement plan and eligible rollover distribution shall apply to distributions made after December 31, 2001.

Section 1.5 The PPA changes are effective for years beginning on or after July 1, 2007, except that:

(a) The definition of "GATT Factors" in Article II of the Plan relating to the changes in the determination of the Applicable Mortality Table and the Applicable Interest Rate are effective for Plan Years beginning on or after January 1, 2008.

(b) The extension of the ninety (90) day notice period to one hundred eighty (180) days in Section 10.1(b)(i) and Section 14.2(c) of the Plan is effective for Plan Years beginning on or after January 1, 2007.

(c) With respect to the changes in Article XII of the Plan relating to the annual benefit limit, the changes in the definition of earnings in Section 12.1(b), the changes in the adjustments to the maximum permissible amount in Section 12.2(b)(i),(ii) and (iii), the treatment of plans maintained by the Employer or a predecessor employer in Section 12.2(c), and the correction of excess amounts in Section 12.4, are effective for limitation years beginning on or after July 1, 2007.

(d) With respect to the provisions of Article XIV of the Plan relating to direct rollovers: (i) the inclusion of Roth individual retirement accounts as eligible retirement plans in Section 14.1(c) is effective for distributions occurring on or after January 1, 2008; (ii) the ability to rollover after-tax contributions to plans other than defined contribution plans in Section 14.1(c) is effective for distributions made on or after January 1, 2007; and (iii) rollovers by non-Spouse beneficiaries in Section 14.2(b) are effective for distributions occurring on or after January 1, 2010.

(e) The provisions of Section 15.1(d) of the Plan relating to the determination of death benefits for individuals in qualified military service is effective for deaths occurring on or after January 1, 2007.

(f) The provisions of Section 15.1(e) of the Plan relating to the treatment of differential wage payments for individuals in qualified military service is effective for remuneration paid on or after January 1, 2009.

Section 1.6 Any reference in the Plan to "written" or "in writing" shall be construed to include a reference to the use of electronic media, to the extent made available by the Plan Administrator and permitted by the Internal Revenue Service.

ARTICLE II

Definitions

When used in this Plan, the following terms have the meanings set forth below unless a different meaning is plainly required by the context:

"Accrued Benefit" means the annual benefit which a Participant would be entitled to receive at Normal Retirement Date under Section 5.2, which is payable in the normal form of benefit set forth in Section 5.3, and which is calculated based on the Participant's Average Compensation and Years of Credited Service as of the date when the determination is being made.

(a) *Employer Accrued Benefit* means the portion of a Participant's Accrued Benefit that is attributable to Employer contributions.

(b) *Participant Accrued Benefit* means the portion of a Participant's Accrued Benefit that is attributable to his or her Accumulated Contributions.

"Accumulated Contributions" means the sum of a Participant's aggregate Participant Contributions, plus Credited Interest for the number of full calendar months from the July 1 following the date on which the Participant Contributions were deposited into the Plan.

"Actuarial Equivalent" means a benefit that has the same value as the annual benefit which a Participant would be entitled to receive at Normal Retirement Date under Section 5.2 and which is payable in the normal form of benefit set forth in Section 5.3, when calculated using the actuarial assumptions set forth in Appendix A hereto.

"Annuity Starting Date" means the first day of the first period for which an amount is payable as an annuity, or, in the case of a benefit not payable as an annuity, the date on which all events have occurred that entitle the recipient to receive such benefit.

"Application for Benefits" means the form provided by the Plan Administrator which shall be completed by an individual in order to receive benefits hereunder.

"Average Compensation" means the average of a Participant's Compensation as of July 1 of the five consecutive Plan Years in which he or she was employed by the Employer out of the ten consecutive Plan Years preceding the Participant's Severance from Service Date that produce the highest average. Notwithstanding the above, however:

(a) If the Participant was employed for less than five consecutive Plan Years, Average Compensation means the average of the Participant's Compensation as of July 1 of all of the Plan Years in which he or she was employed;

(b) If the Participant's Severance from Service Date is more than five years before the Participant's Normal Retirement Date, the Participant's Average Compensation will be based on the Participant's Compensation as of July 1 of the last five Plan Years in which he or she was employed; *provided, however*, if the Participant was employed for less than five Plan Years, Average Compensation means the average of the Participant's Compensation as of July 1 of all of the Plan Years in which he or she was employed; and

(c) If the Participant is a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee and Average Compensation is determined by reference to the Participant's Compensation as of July 1, 2009, then the Participant's Compensation as of July 1, 2009 for purposes of determining Average Compensation will equal one hundred three percent (103%) of the Participant's actual Compensation as of July 1, 2009.

"Beneficiary" means any individual, trust, estate or other recipient entitled to receive death benefits hereunder, on either a primary or a contingent basis.

If a Participant fails to designate a Beneficiary, or if no designated Beneficiary survives the Participant, the Participant's Beneficiary shall be his or her surviving Spouse or, if the Participant has no surviving Spouse, his or her children in equal shares or, if the Participant has no surviving children, his or her estate.

"Code" means the Internal Revenue Code of 1986, as amended.

"Compensation" means the following:

(a) For a Participant who is a Nonunion Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee, Compensation means the Participant's annual rate of base pay as of July 1.

For a Participant who is a Police Officer Employee, Compensation means: (i) for Plan Years beginning on or after July 1, 2014, one hundred ten percent (110%) of the Participant's annual rate of base pay as of July 1; and (ii) for Plan Years beginning prior to July 1, 2014, one hundred six percent (106%) of the Participant's annual rate of base pay as of July 1. Notwithstanding the above, however, the Compensation of a Participant who is a Police Officer Employee cannot exceed the Participant's earnings, as defined in Section 12.1(b), for the Plan Year beginning on the applicable July 1.

A Participant's annual rate of base pay is determined without regard to any reduction for amounts that the Employer contributes at the election of the Participant: (i) to the Employer's Code Section 125 plan; (ii) to the Employer's Code Section 457(b) nonqualified deferred compensation plan; (iii) to a qualified transportation fringe benefit plan under Code Section 132(f)(4); or (iv) to the Plan. In addition, a Participant's annual rate of base pay is determined without regard to any commissions, bonuses, overtime or supplemental pay that the Participant receives.

(b) The Compensation of a Participant taken into account under the Plan shall not exceed \$265,000 (as adjusted under Section 401(a)(17) of the Code for Plan Years beginning after December 31, 2015). Any adjustments in the dollar limitation that are applicable for a calendar year shall apply to determination periods beginning with or within the calendar year.

For Plan Years beginning on or after January 1, 2002 and prior to January 1, 2015, the dollar limitation was \$200,000 (as adjusted under Section 401(a)(17) of the Code).

In the case of a determination period of less than twelve months, the dollar limitation under this subsection (b) shall be the amount determined by multiplying the applicable amount described in the preceding paragraph by a fraction, the numerator of which is the number of months in the determination period and the denominator of which is twelve. In the case of a Participant who commences or ceases participation in the Plan on a date other than the first or last day of the determination period, no adjustment shall be made to the applicable dollar limitation.

In determining benefit accruals in Plan Years beginning after December 31, 2001, the dollar limitation under this subsection (b) for determination periods beginning before January 1, 2002 shall be \$150,000 for any determination period beginning in 1996 or earlier; \$160,000 for any determination period beginning in 1997, 1998 or 1999; and \$170,000 for any determination period beginning in 2000 or 2001.

"Credited Interest" means interest at the rate of five percent (5%) per annum (or such other rate prescribed by the Internal Revenue Service), compounded annually on each July 1.

"Date of Employment or Reemployment" means the first day upon which an Employee completes an Hour of Service for the performance of duties during the Employee's most recent period of service with the Employer.

"Disabled Participant" means a Participant who: (a) incurs a bodily injury or disease which renders the Participant unable to engage in any occupation or employment and which is expected to be permanent and continuous for the rest of his or her life; and (b) is eligible to receive disability benefits under any Employer-funded benefit program, other than Social Security disability benefits.

Notwithstanding the above, a Disabled Participant shall not include a Police Officer Employee. A Police Officer Employee is not eligible to receive a disability retirement benefit under the Plan.

"Early Retirement Date" means the following:

(a) With respect to the Nonunion Employee who is the police chief, the date on which the Participant has reached age fifty (50) and completed ten Years of Credited Service;

(b) With respect to a Division 000 Police Officer Employee, the earlier of: (i) the date on which the Participant has reached age forty-eight (48) and completed ten Years of Credited Service; or (ii) the date on which the Participant has completed twenty (20) Years of Credited Service;

(c) With respect to a Division 001 Police Officer Employee, the date on which the Participant has reached age fifty (50) and has completed ten Years of Credited Service; and

(d) With respect to a Nonunion Employee other than the police chief, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee, the date on which the Participant has reached age fifty-five (55) and completed five Years of Credited Service.

"Employee" means an individual who is performing services for the Employer as a common law employee and includes a Nonunion Employee, a Police Officer Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, and a Secretarial/Clerical/Library Employee.

(a) *Nonunion Employee* – an employee of the Town of Simsbury who is not a member of a collective bargaining unit and is not employed by the Town of Simsbury Board of Education.

(b) *Police Officer Employee* – a police officer of the Town of Simsbury who is a member of the International Brotherhood of Police Officers, Local 458.

(i) A Division 000 Police Officer Employee is a Police Officer Employee who became a Participant in the Plan on or after January 18, 1990, or who became a Participant in the Plan prior to January 18, 1990 and did not elect to be in Division 001.

(ii) A Division 001 Police Officer Employee is a Police Officer Employee who became a Participant in the Plan prior to January 18, 1990 and who elected to be in Division 001.

(c) *Police Dispatcher Employee* – a police dispatcher of the Town of Simsbury who is a member of UE Local 222, CILU/CIPU Local 41.

(d) *Public Works and Parks Employee* – an employee of the public works, parks and recreation department of the Town of Simsbury who is a member of AFSMCE Council 4, AFL-CIO Local 2945.

(e) *Professional Supervisor Employee* – an administrative or professional supervisor employee of the Town of Simsbury who is a member of CSEA Service Employees International Union Local 2001 and whose position is described in the applicable collective bargaining agreement.

(f) *Professional Employee* – an administrative or professional employee of the Town of Simsbury who is a member of CSEA Service Employees International Union Local 2001 and whose position is described in the applicable collective bargaining agreement.

(g) *Secretarial/Clerical/Library Employee* – a secretarial, clerical or library employee of the Town of Simsbury who is a member of CSEA Service Employees International Union Local 2001 and whose position is described in the applicable collective bargaining agreement.

"Employer" means the Town of Simsbury, Connecticut.

"Full-Time Employee" means, solely for purposes of the Plan, an Employee who customarily works on a regular schedule for at least thirty-two and one-half (32.5) hours in a calendar week.

"GATT Factors" means, when determining the present value of a benefit:

(a) the Applicable Mortality Table as prescribed by the Commissioner of the Internal Revenue Service pursuant to Code Section 417(e)(3)(B), Revenue Ruling 95-6, Revenue Ruling 2001-62 and (effective for Plan Years beginning on or after January 1, 2008) Revenue Ruling 2007-67 (or any subsequent guidance issued by the Commissioner); and

(b) the Applicable Interest Rate as specified by the Commissioner of the Internal Revenue Service pursuant to Code Section 417(e)(3)(C) and Revenue Ruling 2007-67 (or any subsequent guidance issued by the Commissioner) for the first calendar month of the Plan Year; *provided, however*, during the four Plan Year period that begins on the first day of the first Plan Year beginning on or after January 1, 2008, the Applicable Interest Rate shall be based in part on the average rate on 30-year Treasury bonds for the first calendar month of the Plan Year, and in part on the applicable interest rate as prescribed in Revenue Ruling 2007-67.

"Hour of Service" means the following:

(a) An Hour of Service means:

(i) each hour for which an individual is compensated, or entitled to be compensated, by the Employer for the performance of duties;

(ii) each hour for which an individual is compensated, or entitled to be compensated, by the Employer for a period during which no duties are performed by such individual (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or approved leave of absence. Hours shall not be credited for payment to an individual from a plan required by workers' compensation, unemployment compensation or disability insurance laws, nor shall hours be credited for reimbursement of an individual for medical or medically related expenses; and

(iii) each hour for which back pay, irrespective of mitigation of damages, has been awarded or agreed to by the Employer, *provided that* if such award or agreement of back pay is for reasons other than the performance of duties, such hours shall be subject to the restrictions of subsection (a)(ii), and hours credited under this subsection (a)(iii) shall be credited for the period or periods to which the award or agreement pertains rather than to the period in which the award, agreement or payment is made.

(b) Hours of Service shall be credited for the computation periods: (i) in which the duties were performed or payments are due; (ii) in which payments would have been due during a covered leave of absence or layoff; or (iii) to which the back pay award or agreement pertains.

(c) The same Hours of Service shall not be credited under more than one of the subsections of subsection (a).

(d) In no event will Hours of Service be allowed or computed in a manner less liberal than the manner described in Section 2530.200b-2 of the Department of Labor regulations.

"Insurer" means a life insurance company licensed to do business in Connecticut.

"Normal Retirement Age" means the following:

(a) With respect to a Division 000 Police Officer Employee, the earlier of: (i) the date on which the Participant has reached age fifty-three (53); or (ii) the date on which the Participant has completed twenty-five (25) Years of Credited Service;

(b) With respect to a Division 001 Police Officer Employee, the date on which the Participant has reached age fifty-five (55) and completed ten Years of Credited Service;

(c) With respect to a Police Dispatcher Employee, the earlier of: (i) the date on which the Participant has reached age sixty-five (65) and completed five Years of Credited Service; or (ii) the date on which the Participant has reached age sixty-two (62) and completed twenty-five (25) Years of Credited Service; and

(d) With respect to a Nonunion Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee, the date on which the Participant has reached age sixty-five (65) and completed five Years of Credited Service.

"Normal Retirement Date" means the first day of the month coinciding with or next following a Participant's Normal Retirement Age.

"Participant" means an Employee who is eligible to participate in the Plan under Article III, but unless specifically provided otherwise, shall not include a Retired Participant, a Terminated Participant or a Disabled Participant.

"Participant Contributions" means the contributions deducted from a Participant's Compensation and contributed to the Plan pursuant to Section 4.1 (including any "pick-up" contributions made by the Employer on behalf of a Participant who is a Nonunion Employee, as described in Section 4.1(b)(i)).

"Plan" means the Town of Simsbury Retirement Income Plan as of its original effective date, including any amendments thereto. For the period prior to July 1, 2015, the Plan was set forth in two separate documents – The Town of Simsbury General Government Employees' Retirement Income Plan and The Town of Simsbury Police Retirement Income Plan. Effective as of July 1, 2015, these Plan documents were combined, and the Plan was renamed The Town of Simsbury Retirement Income Plan.

"Plan Administrator" means the person or persons designated to administer the Plan in accordance with Article XVII.

"Plan Year" means the twelve month period beginning on each July 1. For years prior to the effective date of the Plan, the corresponding twelve month period shall be the Plan Year.

"Regulation" means any rule or regulation promulgated under the Code by the Secretary of the Treasury or his or her delegate.

"Retired Participant" means a Participant who separates from service with the Employer on or after Normal Retirement Date or Early Retirement Date.

"Severance from Service Date" means the following:

- (a) Severance from Service Date means the earliest of:
 - (i) the date the Employee quits, retires under this Plan, dies or is discharged;
 - (iii) the date twelve (12) months following an absence from employment for any other reason (such as sickness, vacation or layoff); or
 - (ii) the date twenty-four (24) months following the date on which the Employee is first absent from employment because of:
 - (A) the pregnancy of the Employee;
 - (B) the birth of a child of the Employee;
 - (C) the placement of a child with the Employee in connection with the adoption of such child by the Employee; or
 - (D) the care of a child for a period beginning immediately following such birth or placement.

(b) The Employer's leave policy shall be applied in a uniform and nondiscriminatory manner to all Employees under similar circumstances.

"**Severance Period**" means the period from an Employee's Severance from Service Date to the date on which the Employee next performs an Hour of Service.

"**Spouse**" means a person who is legally married to a Participant on the earlier of such Participant's date of death and the date on which his or her retirement benefit commences.

Notwithstanding anything else herein to the contrary, effective as of June 26, 2013, the terms "marriage", "Spouse", "husband", "wife", and "husband and wife" (including all variations thereof), when applicable under the Plan, shall apply equally to both a Participant who is validly married to an individual of the opposite sex and to a Participant who is validly married to an individual of the same sex. A Participant is "validly married" for purposes of the Plan if he or she is validly married pursuant to the laws of any state or similar jurisdiction, regardless of the Participant's state of domicile. A Participant is not validly married, nor do the terms "marriage" "Spouse," "husband," "wife," or "husband and wife" apply to a Participant, to the extent he or she has entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under state law that is not otherwise treated as a marriage under the laws of such state.

"**Terminated Participant**" means a Participant whose status as an Employee is terminated for reasons other than death, disability or retirement.

"**Trust Agreement**" means the agreement entered into between the Employer and the Trustee.

"**Trustee**" means the person or persons or entity selected by the Employer to serve as trustee under the Trust Agreement.

"**Trust Fund**" means all the assets held under the Trust Agreement, an insurance contract issued by an Insurer, or both.

"**Years of Credited Service**" mean the following:

(a) Years of Credited Service mean the period beginning on an Employee's date of participation in the Plan and ending on the Employee's Severance from Service Date; *provided, however,* that:

(i) Years of Credited Service shall not include any period during which the Employee does not make Participant Contributions to the Plan; and

(ii) The period during which an Employee is a Disabled Participant shall not be taken into account in determining his or her Years of Credited Service.

(b) Years of Credited Service shall be computed on the basis of whole Years of Credited Service and completed calendar months.

(c) For a Nonunion Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee, if the Employee is on a layoff or an unpaid leave of absence and he or she makes the required Participant Contributions during the period of his or her layoff or unpaid leave of absence (with the approval of the Town in accordance with its administrative policies), then the Employee will receive Years of Credited Service for the period of his or her layoff or unpaid leave of absence.

The provisions of this subsection (c) shall not apply to a Police Officer Employee.

(d) If a Nonunion Employee previously performed service for a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state (a "governmental entity") *other than* the Employer, such service shall be treated as Years of Credited Service under the Plan if the Nonunion Employee pays to the Plan the cost of including such service as Years of Credited Service. Such cost shall be determined by the Plan's actuary using the actuarial assumptions set forth in Appendix A.

A Nonunion Employee must pay the cost of including prior service performed for a governmental entity as Years of Credited Service under the Plan within a reasonable period of time after he or she becomes a Participant in the Plan. In addition, the ability of a Nonunion Employee to purchase such Years of Credited Service shall be conditioned on his or her production of proof satisfactory to the Employer of the Nonunion Employee's prior service performed for a governmental entity, and the length of such service.

A Nonunion Employee shall be permitted to purchase prior service performed for a governmental entity through either: (i) a cash payment to the Plan; or (ii) the transfer to the Plan of amounts from a benefit plan of a governmental entity (including the transfer of amounts to the Plan from a Code Section 457 plan to the extent permitted by Code Section 457(e)(17), which relates to a direct trustee-to-trustee transfer from a Code Section 457 plan to a defined benefit governmental plan for the purchase of permissive service credits defined in Code Section 415(n)(3)(A)).

The provisions of this subsection (d) shall not apply to a Police Officer Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee.

(e) If a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee declines to participate in the Plan within thirty-one (31) days of his or her Date of Employment or Reemployment but subsequently elects to participate in the Plan pursuant to Section 3.1(a), then he or she can elect to purchase up to one Year of Credited Service for the

period of his or her employment prior to his or her participation in the Plan by paying the Participant Contributions that he or she would have paid during such period, plus Credited Interest from the date the Participant Contributions would have been made to the date of payment.

The provisions of this subsection (e) shall not apply to a Nonunion Employee or a Police Officer Employee.

(f) If a Participant does not receive a lump sum distribution of his or her Accumulated Contributions pursuant to Section 10.2 and he or she is reemployed, then all of the Participant's Years of Credited Service (including the Years of Credited Service that the Participant earned prior to his or her severance from employment) shall be aggregated.

If a Participant receives a lump sum distribution of his or her Accumulated Contributions pursuant to Section 10.2, he or she is reemployed, and he or she elects pursuant to Section 10.4 to repay such distribution plus Credited Interest from the date of the distribution to the date of repayment, then all of the Participant's Years of Credited Service (including the Years of Credited Service that the Participant earned prior to his or her severance from employment) shall be aggregated. However, if a Participant who received such a lump sum distribution of his or her Accumulated Contributions is reemployed and does not elect to repay such distribution pursuant to Section 10.4, then any Years of Credited Service that the Participant earned prior to the date of his or her severance from employment shall be disregarded; *provided, however*, that the Participant shall continue to be entitled to receive any portion of his or her Employer Accrued Benefit that is vested and that accrued prior to his or her severance from employment.

"Years of Vesting Service" mean the following:

(a) Years of Vesting Service mean the period beginning on an Employee's Date of Employment or Reemployment and ending on the Employee's Severance from Service Date; *provided, however*:

(i) If an Employee becomes reemployed by the Employer within the twelve (12) consecutive month period following the date he or she quit, was discharged or retired, the period of time during which he or she was not employed will be taken into account in determining his or her Years of Vesting Service;

(ii) The period during which an Employee is a Disabled Participant shall be taken into account in determining his or her Years of Vesting Service; and

(iii) For a Nonunion Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee, Years of Vesting Service shall include a period of absence due to service as an elected official of the Town, *provided that* the Employee returns to service as an Employee at the end of his or her term of office.

The provisions of this subsection (a)(iii) shall not apply to a Police Officer Employer.

(b) Years of Vesting Service shall be computed on the basis of whole Years of Vesting Service and completed calendar months.

(c) Notwithstanding the above, if an Employee shall incur a Severance Period of twelve (12) months or longer and be rehired, Years of Vesting Service shall be credited from the Employment Commencement Date which occurs after the Severance Period to any subsequent Severance from Service Date. In addition, Years of Vesting Service credited prior to the Severance Period shall be added to Years of Vesting Service as so calculated only if:

(i) the Employee was entitled to a vested Employer Accrued Benefit on his or her Severance from Service Date; or

(ii) the Employee was not entitled to a vested Employer Accrued Benefit on his or her Severance from Service Date, and the number of the Employee's Years of Vesting Service prior to the Severance from Service Date exceed the Severance Period.

(d) For a Nonunion Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee, if the Employee is on a layoff or an unpaid leave of absence and he or she makes the required Participant Contributions during the period of his or her layoff or unpaid leave of absence (with the approval of the Town in accordance with its administrative policies), then the Employee will receive Years of Vesting Service for the period of his or her layoff or unpaid leave of absence.

The provisions of this subsection (d) shall not apply to a Police Officer Employee.

(e) If a Participant does not receive a lump sum distribution of his or her Accumulated Contributions pursuant to Section 10.2 and he or she is reemployed, then all of the Participant's Years of Vesting Service (including the Years of Vesting Service that the Participant earned prior to his or her severance from employment) shall be aggregated.

If a Participant receives a lump sum distribution of his or her Accumulated Contributions pursuant to Section 10.2, he or she is reemployed, and he or she elects pursuant to Section 10.4 to repay such distribution plus Credited Interest from the date of the distribution to the date of repayment, then all of the Participant's Years of Vesting Service (including the Years of Vesting Service that the Participant earned prior to his or her severance from employment) shall be aggregated. However, if a Participant who received such a lump sum distribution of his or her Accumulated Contributions is reemployed and does not elect to repay such distribution pursuant to Section 10.4, then any Years of Vesting Service that the Participant earned prior to the date of his or her severance from employment shall be disregarded, *unless* such Years of Vesting Service are required to be taken into account pursuant to subsection (c).

When used in this Plan, the singular form of any word shall include the plural and the masculine gender shall include the feminine wherever necessary for the proper interpretation of this Plan.

Any reference in this Plan to an "Article", "Section", "section", "subsection", "paragraph" or "subparagraph" shall be construed as a reference to a provision of this Plan unless indicated otherwise.

ARTICLE III

Employees Entitled to Participate

Section 3.1 (a) For purposes of determining eligibility to participate in the Plan:

(i) A Nonunion Employee shall become a Participant in the Plan on the first day of the month following his or her Date of Employment or Reemployment.

Notwithstanding the above, a Nonunion Employee who is first hired on or after July 1, 2013 can elect to participate in the Employer's defined contribution retirement plan in lieu of the Plan. Any such election must be made within thirty-one (31) days of his or her date of hire, and is irrevocable.

With respect to a Nonunion Employee who is first hired prior to July 1, 2013, he or she shall become a Participant in the Plan and shall be required, as a condition of his or her employment, to authorize the Employer to deduct his or her Participant Contributions described in Section 4.1(a)(i) from his or her Compensation and to have such contributions "picked up" by the Employer pursuant to Section 4.1(b)(i).

With respect to a Nonunion Employee who is first hired on or after July 1, 2013 and who does not make an irrevocable election to participate in the Employer's defined contribution retirement plan at the time he or she is first hired, he or she shall become a Participant in the Plan and shall be required, as a condition of his or her employment, to authorize the Employer to deduct his or her Participant Contributions described in Section 4.1(a)(i) from his or her Compensation and to have such contributions "picked up" by the Employer pursuant to Section 4.1(b)(i).

(ii) A Police Officer Employee shall become a Participant in the Plan on his or her Date of Employment or Reemployment, *provided that* he or she elects to make the Participant Contributions described in Section 4.1(a)(ii) within thirty-one (31) days of his or her Date of Employment or Reemployment.

If a Police Officer Employee does not elect to participate in the Plan within thirty-one (31) days of his or her Date of Employment or Reemployment, then he or she will become a Participant in the Plan on the first day of the month following his or her subsequent election to participate in the Plan.

A Police Officer Employee can elect to cease his or her participation in the Plan at any time by electing to cease his or her Participant Contributions to the Plan described in Section 4.1(a)(ii). If a Police Officer Employee elects to cease his or her Participant Contributions, he or she cannot resume making such Participation Contributions and cannot resume participation in the Plan for a period of two years after the cessation of his or her Participant Contributions.

(iii) A Police Dispatcher Employee shall become a Participant in the Plan on the first day of the month following his or her Date of Employment or Reemployment, *provided that* he or she elects to make the Participant Contributions described in Section 4.1(a)(iii) within thirty-one (31) days of his or her Date of Employment or Reemployment.

If a Police Dispatcher Employee does not elect to participate in the Plan within thirty-one (31) days of his or her Date of Employment or Reemployment, then he or she will become a Participant in the Plan on the first day of the month following his or her subsequent election to participate in the Plan.

Notwithstanding the above, a Police Dispatcher Employee who is hired or rehired on or after July 1, 2013 can elect to participate in the Employer's defined contribution retirement plan in lieu of the Plan. Once made, any such election is irrevocable (even if he or she incurs a severance from service and subsequently is rehired).

(iv) A Public Works and Parks Employee shall become a Participant in the Plan on the first day of the month following his or her Date of Employment or Reemployment, *provided that* he or she elects to make the Participant Contributions described in Section 4.1(a)(iv) within thirty-one (31) days of his or her Date of Employment or Reemployment.

If a Public Works and Parks Employee does not elect to participate in the Plan within thirty-one (31) days of his or her Date of Employment or Reemployment, then he or she will become a Participant in the Plan on the first day of the month following his or her subsequent election to participate in the Plan.

Notwithstanding the above, a Public Works and Parks Employee who is hired or rehired on or after September 4, 2013 can elect to participate in the Employer's defined contribution retirement plan in lieu of the Plan. Once made, any such election is irrevocable (even if he or she incurs a severance from service and subsequently is rehired).

(v) A Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee shall become a Participant in the Plan on the first day of the month following his or her Date of Employment or Reemployment, *provided that* he or she elects to make the Participant Contributions described in Section 4.1(a)(v) within thirty-one (31) days of his or her Date of Employment or Reemployment.

If a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee does not elect to participate in the Plan within thirty-one (31) days of his or her Date of Employment or Reemployment, then he or she will become a Participant in the Plan on the first day of the month following his or her subsequent election to participate in the Plan.

Notwithstanding the above, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee who is hired or rehired on or after July 1, 2013 can elect to participate in the Employer's defined contribution retirement plan in lieu of the Plan. Once made, any such election is irrevocable (even if he or she incurs a severance from service and subsequently is rehired).

- (b) Notwithstanding the above, however, a Participant shall not include:
- (i) an Employee who is not a Full-Time Employee; or
 - (ii) an Employee who does not make the Participant Contributions required by Section 4.1 of the Plan.

Section 3.2 (a) If a Participant ceases to be in an eligible class of Employees, he or she shall cease to be a Participant immediately on the date on which he or she ceases to be in an eligible class of Employees.

(b) If a Participant ceases to be in an eligible class of Employees described in Section 3.1 and then subsequently becomes a member of an eligible class of Employees, he or she shall again become a Participant as of the date on which he or she again becomes a member of an eligible class of Employees.

Section 3.3 (a) With respect to a Nonunion Employee, the Employer shall provide a notice to the Nonunion Employee, on or before his or her Date of Employment or Reemployment (or as soon thereafter as is administratively possible), concerning his or her eligibility to participate in the Plan.

Within thirty-one (31) days of his or her Date of Employment or Reemployment, a Nonunion Employee who is first hired prior to July 1, 2013 shall signify his or her participation in the Plan and his or her agreement to the terms of the Plan (as it may be amended from time to time) by executing an appropriate statement to that effect, including an undertaking to make contributions to the Plan by authorizing the Employer to deduct such contributions from his or her Compensation pursuant to the provisions of Section 4.1(a)(i).

Within thirty-one (31) days of the date on which he or she is first hired, a Nonunion Employee who is first hired on or after July 1, 2013 shall elect whether he or she wishes to participate in the Employer's defined contribution retirement plan in lieu of the Plan. If the Nonunion Employee does not elect to participate in the Employer's defined contribution retirement plan, then, within thirty-one (31) days of his or her Date of Employment or Reemployment, he or she shall signify his or her participation in the Plan and his or her agreement to the terms of the Plan (as it may be amended from time to time) by executing an appropriate statement to that effect, including an undertaking to make contributions to the Plan by authorizing the Employer to deduct such contributions from his or her Compensation pursuant to the provisions of Section 4.1(a)(i).

(b) With respect to a Police Officer Employee, the Employer shall notify the Police Officer Employee, on or before his or her Date of Employment or Reemployment (or as soon thereafter as is administratively possible), that he or she is eligible to participate in the Plan.

If a Police Officer Employee elects to participate in the Plan, he or she shall signify his or her participation in the Plan and his or her agreement to the terms of the Plan (as it may be amended from time to time) by executing an appropriate statement to that effect, including an undertaking to make contributions to the Plan by authorizing the Employer to deduct such contributions from his or her Compensation pursuant to the provisions of Section 4.1(a)(ii).

(c) With respect to a Police Dispatcher Employee, the Employer shall notify the Police Dispatcher Employee, on or before his or her Date of Employment or Reemployment (or as soon thereafter as is administratively possible), that he or she is eligible to participate in the Plan, *provided that*, if he or she is hired or rehired on or after July 1, 2013, he or she does not elect (or has not elected) to participate in the Employer's defined contribution retirement plan.

If the Police Dispatcher Employee elects to participate in the Plan, he or she shall signify his or her participation in the Plan and his or her agreement to the terms of the Plan (as it may be amended from time to time) by executing an appropriate statement to that effect, including an undertaking to make contributions to the Plan by authorizing the Employer to deduct such contributions from his or her Compensation pursuant to the provisions of Section 4.1(a)(iii).

(d) With respect to a Public Works and Parks Employee, the Employer shall notify the Public Works and Parks Employee, on or before his or her Date of Employment or Reemployment (or as soon thereafter as is administratively possible), that he or she is eligible to participate in the Plan, *provided that*, if he or she is hired or rehired on or after September 4, 2013, he or she does not elect (or has not elected) to participate in the Employer's defined contribution retirement plan.

If the Public Works and Parks Employee elects to participate in the Plan, he or she shall signify his or her participation in the Plan and his or her agreement to the terms of the Plan (as it may be amended from time to time) by executing an appropriate statement to that effect, including an undertaking to make contributions to the Plan by authorizing the Employer to deduct such contributions from his or her Compensation pursuant to the provisions of Section 4.1(a)(iv).

(e) With respect to a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee, the Employer shall notify the Professional Supervisor Employee, the Professional Employee, or the Secretarial/Clerical/Library Employee, on or before his or her Date of Employment or Reemployment (or as soon thereafter as is administratively possible), that he or she is eligible to participate in the Plan, *provided that*, if he or she is hired or rehired on or after July 1, 2013, he or she does not elect (or has not elected) to participate in the Employer's defined contribution retirement plan.

If the Professional Supervisor Employee, Professional Employee, or Secretarial/Clerical/Library Employee elects to participate in the Plan, he or she shall signify his or her participation in the Plan and his or her agreement to the terms of the Plan (as it may be amended from time to time) by executing an appropriate statement to that effect, including an undertaking to make contributions to the Plan by authorizing the Employer to deduct such contributions from his or her Compensation pursuant to the provisions of Section 4.1(a)(v).

(f) Each Nonunion Employee, Police Officer Employee, Police Dispatcher Employee, Public Works and Parks Employee, Professional Supervisor Employee, Professional Employee, and Secretarial/Clerical/Library Employee who becomes a Participant in the Plan shall submit such information and shall take such other actions as may be required by the Plan Administrator, and shall answer truthfully and completely (without mental reservation or concealment) any question or request for information in connection with the provision of benefits under the Plan.

ARTICLE IV

Contributions

Section 4.1 (a) Each Participant shall contribute to the Plan, by means of payroll deduction, an amount equal to the following (as such amount may be adjusted from time to time in accordance with applicable future collective bargaining agreements):

(i) *Nonunion Employees*

For Nonunion Employees first hired prior to July 1, 2013: 5.00% of Compensation

For Nonunion Employees first hired on or after July 1, 2013 who do not participate in the Employer's defined contribution plan: 7.00% of Compensation

Participant Contributions are not required after a Nonunion Employee completes thirty (30) Years of Credited Service.

Participant Contributions are not required after a Nonunion Employee reaches his or her Normal Retirement Date.

(ii) *Police Officer Employees*

For Division 000 Police Officer Employees 6.00% of Compensation

For Division 001 Police Officer Employees 3.00% of Compensation

Participant Contributions are not required after a Division 000 Police Officer Employee completes twenty-five (25) Years of Credited Service.

Participant Contributions are not required after a Division 001 Police Officer Employee completes thirty-five (35) Years of Credited Service.

Participant Contributions are not required after the Participant reaches his or her Normal Retirement Date.

(iii) *Police Dispatcher Employees*

For Police Dispatcher Employees hired or rehired prior to July 1, 2013:

For the period prior to July 1, 2013 2.00% of Compensation

For the period on and after July 1, 2013 and prior to July 1, 2014 2.50% of Compensation

For the period on and after July 1, 2014 and prior to July 1, 2015 3.00% of Compensation

For the period on and after July 1, 2015 and prior to July 1, 2016 3.50% of Compensation

For the period on and after July 1, 2016 and prior to July 1, 2017 4.00% of Compensation

For the period on and after July 1, 2017 and prior to July 1, 2018 4.50% of Compensation

For the period on and after July 1, 2018 5.00% of Compensation

For Police Dispatcher Employees hired or rehired on or after July 1, 2013 who do not participate in the Employer's defined contribution plan: 7.00% of Compensation

Participant Contributions are not required after a Police Dispatcher Employee completes thirty (30) Years of Credited Service.

Participant Contributions are not required after a Police Dispatcher Employee reaches his or her Normal Retirement Date.

(iv) *Public Works and Parks Employees*

For Public Works and Parks Employees hired or rehired prior to September 4, 2013:

For the period prior to September 1, 2013	2.00% of Compensation
For the period on and after September 1, 2013 and prior to September 1, 2014	2.50% of Compensation
For the period on and after September 1, 2014 and prior to September 1, 2015	3.00% of Compensation
For the period on and after September 1, 2015 and prior to June 30, 2016	3.50% of Compensation
For the period on and after June 30, 2016	4.00% of Compensation

For Public Works and Parks Employees hired or rehired on or after September 4, 2013 who do not participate in the Employer's defined contribution plan: 7.00% of Compensation

Participant Contributions are not required after a Public Works and Parks Employee completes thirty (30) Years of Credited Service.

Participant Contributions are not required after a Public Works and Parks Employee reaches his or her Normal Retirement Date.

(v) *Professional Supervisor Employees, Professional Employees and Secretarial/Clerical/Library Employees*

For Professional Supervisor Employees, Professional Employees and Secretarial/Clerical/Library Employees hired or rehired prior to July 1, 2013:

For the period prior to July 1, 2013	2.00% of Compensation
For the period on and after July 1, 2013 and prior to July 1, 2014	2.50% of Compensation
For the period on and after July 1, 2014 and prior to July 1, 2015	3.00% of Compensation
For the period on and after July 1, 2015 and prior to July 1, 2016	3.50% of Compensation
For the period on and after July 1, 2016 and prior to July 1, 2017	4.00% of Compensation
For the period on and after July 1, 2017 and prior to July 1, 2018	4.50% of Compensation
For the period on and after July 1, 2018	5.00% of Compensation

For Professional Supervisor Employees, Professional Employees and Secretarial/Clerical/Library Employees hired or rehired on or after July 1, 2013 who do not participate in the Employer's defined contribution plan:

For Professional Supervisor Employees, Professional Employees and Secretarial/Clerical/Library Employees

hired or rehired on or after July 1, 2013 and prior to January 1, 2016	7.00% of Compensation
For Professional Supervisor Employees, Professional Employees and Secretarial/Clerical/Library Employees hired or rehired on or after January 1, 2016	10.00% of Compensation

Participant Contributions are not required after a Professional Supervisor Employee, Professional Employee or Secretarial/Clerical/Library Employee completes thirty (30) Years of Credited Service.

Participant Contributions are not required after a Professional Supervisor Employee, Professional Employee or Secretarial/Clerical/Library Employee reaches his or her Normal Retirement Date.

In the event that a Participant's Compensation is increased, his or her contribution to the Plan shall be increased in a corresponding manner at the same time.

(b) With respect to the Participant Contributions described in Section 4.1(a):

(i) Effective as of January 24, 2005, the Employer shall "pick-up" all of the contributions required to be made to the Plan by a Nonunion Employee pursuant to Section 4.1(a)(i), as permitted by Section 414(h)(2) of the Code. Such contributions will be treated as Employer contributions for Federal income tax purposes, and will not be included in the current income of a Nonunion Employee for Federal income tax purposes. The Employer will pay the contributions otherwise required to be made by each Nonunion Employee in lieu of having the contributions paid by such Nonunion Employee, and the Nonunion Employee does not have the option of receiving the contributed amounts directly in cash instead of having them paid to the Plan by the Employer.

(ii) Any Participant Contributions made by a Police Officer Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee or a Secretarial/Clerical/Library Employee shall not be "picked-up" by the Employer and will be includible in current income for Federal income tax purposes.

Section 4.2 (a) The Employer shall contribute to the Plan such additional amounts as may be required in order to provide the retirement benefits and other benefits set forth in this Plan.

(b) The Plan Administrator shall recommend to the Employer the amount of the Employer's contribution. Within a reasonable period of time prior to the beginning of each Plan Year, the Plan Administrator shall notify the Employer in writing of its estimate of the amount necessary to meet the Employer's obligation for the Plan Year, including any incidental costs of administering the Plan.

Section 4.3 The Employer shall deposit into the Trust Fund the amount of the Participant Contributions described in Section 4.1 and the Employer's contributions described in Section 4.2.

Section 4.4 Forfeitures under the Plan, if any, will be applied to reduce the Employer's contributions hereunder, and shall not be applied to increase the benefits any Participant would otherwise receive under the Plan.

ARTICLE V

Normal Retirement Benefits

Section 5.1 Every Participant who does not separate from service prior to his or her Normal Retirement Date and who retires on his or her Normal Retirement Date shall receive a normal retirement benefit.

The Accrued Benefit of a Participant who is an Employee upon attainment of Normal Retirement Age shall be one hundred percent (100%) vested.

Section 5.2 Subject to the limits in Article XII, upon attaining Normal Retirement Date, a Participant shall become entitled to an annual retirement benefit, payable in the form of the modified five year certain and life annuity described in Section 5.3, equal to the following:

(a) *Nonunion Employees*

A retirement benefit equal to 2.50% of his or her Average Compensation multiplied by his or her Years of Credited Service up to a maximum of thirty (30) Years of Credited Service.

(b) *Police Officer Employees*

For Division 000 Police Officer Employees:

A retirement benefit equal to 2.50% of his or her Average Compensation multiplied by his or her Years of Credited Service up to a maximum of twenty-five (25) Years of Credited Service.

For Division 001 Police Officer Employees:

A retirement benefit equal to 2.00% of his or her Average Compensation multiplied by his or her Years of Credited Service up to a maximum of thirty-five (35) Years of Credited Service.

(c) *Police Dispatcher Employees*

A retirement benefit equal to 2.00% of his or her Average Compensation multiplied by his or her Years of Credited Service up to a maximum of thirty (30) Years of Credited Service.

(d) *Public Works and Parks Employees*

A retirement benefit equal to 2.00% of his or her Average Compensation multiplied by his or her Years of Credited Service up to a maximum of thirty (30) Years of Credited Service.

(d) *Professional Supervisor Employees, Professional Employees and Secretarial/Clerical/Library Employees*

A retirement benefit equal to 2.00% of his or her Average Compensation multiplied by his or her Years of Credited Service up to a maximum of thirty (30) Years of Credited Service.

Section 5.3 Except as otherwise provided in Article X, a Participant's normal retirement benefit shall be paid in equal monthly installments in the form of an annuity for the life of the Participant in the amount determined under Section 5.2, shall commence as soon as practicable following the Participant's Normal Retirement Date, and shall continue until the Participant's death; *provided, however*, if the Participant dies after the commencement of benefit payments but before the payment of benefits for sixty (60) months, monthly payments of the same amount shall be paid to the Participant's Beneficiary for the remainder of such sixty (60) month period; *and provided further*, if the sum of the total benefit payments received by the Participant (or by the Participant and his or her Beneficiary) does not exceed the Participant's Accumulated Contributions, the excess of the Participant's Accumulated Contributions over the total benefit payments received by the Participant (or by the Participant and his or her Beneficiary) shall be paid to the Participant's Beneficiary.

ARTICLE VI

Early Retirement Benefits

Section 6.1 A Participant who has reached his or her Early Retirement Date may elect to retire prior to his or her Normal Retirement Date and receive an early retirement benefit. A Participant who wishes to receive an early retirement benefit must file an Application for Benefits with the Plan Administrator in accordance with the provisions of Article XIII.

Section 6.2 A Participant who elects to receive an early retirement benefit in accordance with Section 6.1 may elect to receive either:

(a) A retirement benefit which commences on his or her Normal Retirement Date and which is equal to the Participant's vested Accrued Benefit; or

(b) A retirement benefit which commences on the first day of any month subsequent to his or her Early Retirement Date, subsequent to the Plan Administrator's receipt of an Application for Benefits, and prior to his or her Normal Retirement Date, and which is equal to the following:

(i) *Nonunion Employees*

The Participant's vested Accrued Benefit, reduced by four percent (4.0%) for each year by which the Annuity Starting Date precedes his or her Normal Retirement Date.

(ii) *Police Officer Employees*

The Participant's vested Accrued Benefit, reduced by six-tenths of one percent (0.6%) for each of the first sixty (60) months and by three-tenths of one percent (0.3%) for each of the next sixty (60) months by which the Annuity Starting Date precedes his or her Normal Retirement Date. For purposes of determining the early retirement reduction, the Normal Retirement Date of a Police Officer Employee will be based on his or her actual Years of Credited Service through his or her Early Retirement Date, without imputing service beyond his or her Early Retirement Date.

(iii) *Police Dispatcher Employees*

The Participant's vested Accrued Benefit, reduced by four percent (4.0%) for each year by which the Annuity Starting Date precedes his or her Normal Retirement Date. For purposes of determining the early retirement reduction, the Normal Retirement Date of a Police Dispatcher Employee will be based on his or her actual Years of Credited Service through his or

her Early Retirement Date, without imputing service beyond his or her Early Retirement Date.

(iv) *Public Works and Parks Employees*

The Participant's vested Accrued Benefit, reduced by four percent (4.0%) for each year by which the Annuity Starting Date precedes his or her Normal Retirement Date.

(v) *Professional Supervisor Employees, Professional Employees and Secretarial/Clerical/Library Employees*

The Participant's vested Accrued Benefit, reduced by four percent (4.0%) for each year by which the Annuity Starting Date precedes his or her Normal Retirement Date.

Section 6.3 Except as otherwise provided in Article X, a Participant's early retirement benefit shall be paid in equal monthly installments in the form of an annuity for the life of the Participant in the amount determined under Section 6.2, shall commence as soon as practicable following the Plan Administrator's receipt of the Application for Benefits required by Section 6.1, and shall continue until the Participant's death; *provided, however*, if the Participant dies after the commencement of benefit payments but before the payment of benefits for sixty (60) months, monthly payments of the same amount shall be paid to the Participant's Beneficiary for the remainder of such sixty (60) month period; *and provided further*, if the sum of the total benefit payments received by the Participant (or by the Participant and his or her Beneficiary) does not exceed the Participant's Accumulated Contributions, the excess of the Participant's Accumulated Contributions over the total benefit payments received by the Participant (or by the Participant and his or her Beneficiary) shall be paid to the Participant's Beneficiary.

ARTICLE VII

Disability Retirement Benefits

Section 7.1 The provisions of this Section 7.1 shall apply to a Disabled Participant who is a Nonunion Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee.

(a) A Participant who becomes a Disabled Participant prior to his or her Normal Retirement Date will continue to be credited with Years of Vesting Service (but not Years of Credited Service) while he or she is a Disabled Participant. If the Participant is (or becomes) eligible to receive an early retirement benefit pursuant to Article VI or a vested deferred benefit pursuant to Article IX at any time after he or she becomes a Disabled Participant, then he or she may elect to receive an early retirement benefit pursuant to Article VI or a vested deferred benefit pursuant to Article IX, based on his or her Average Compensation and Years of Credited Service determined as of the date he or she became a Disabled Participant.

(b) A Disabled Participant who wishes to be credited with Years of Vesting Service while he or she is a Disabled Participant must file an Application for Benefits with the Plan Administrator in accordance with the provisions of Article XIII.

(c) If a Participant ceases to be a Disabled Participant prior to his or her Normal Retirement Date, then:

(i) If the Participant does not become an Employee again, he or she shall not be credited with Years of Vesting Service (or Years of Credited Service) for the period of time during which he or she was a Disabled Participant. Such a Participant will be deemed to be a Terminated Participant, and his or her eligibility to receive an early retirement benefit or a vested deferred benefit under the Plan shall be determined under Article VI or Article IX, based on his or her Years of Vesting Service, Average Compensation, and Years of Credited Service determined as of the date he or she became a Disabled Participant.

(ii) If the Participant becomes an Employee again, he or she shall be credited with Years of Vesting Service (but not Years of Credited Service) for the period of time during which he or she was a Disabled Participant. Such a Participant will be entitled to receive a retirement benefit when he or she subsequently becomes a Retired Participant or a Terminated Participant, based on his or her Years of Vesting Service, Average Compensation, and Years of Credited Service determined as of the date he or she subsequently becomes a Retired Participant or a Terminated Participant.

(d) If a Participant remains a Disabled Participant until his or her Normal Retirement Date, the Participant shall thereafter be entitled to receive a normal retirement benefit, based on

his or her Average Compensation and Years of Credited Service determined as of the date on which he or she became a Disabled Participant.

(e) At reasonable times prior to a Participant's Normal Retirement Date, the Employer shall have the right to verify the continued status of the Participant as a Disabled Participant and to verify the Participant's entitlement to the benefits described in this Article VII. Should the Participant refuse to submit proof that the Participant continues to be a Disabled Participant, the Participant shall automatically be deemed to no longer be a Disabled Participant.

Section 7.2 A Participant who is a Police Officer Employee shall not be entitled to receive disability retirement benefits.

ARTICLE VIII

Postponed Retirement Benefits

Section 8.1 If a Participant continues in the service of the Employer after attaining Normal Retirement Date, payment of retirement benefits shall not commence until on or after the date on which the Participant incurs a severance from employment.

Section 8.2 The amount of a Participant's postponed retirement benefit shall equal the retirement benefit determined under Section 5.2 as of the date he or she incurs a severance from employment, based on his or her Average Compensation and total Years of Credited Service as of such date (recognizing Compensation and Years of Credited Service earned subsequent to his or her Normal Retirement Date).

Section 8.3 Except as otherwise provided in Article X, a Participant's postponed retirement benefit shall be paid in equal monthly installments in the form of an annuity for the life of the Participant in the amount determined under Section 8.2, shall commence on the first day of any month subsequent to his or her severance from employment and subsequent to the Plan Administrator's receipt of an Application for Benefits, and shall continue until the Participant's death; *provided, however*, if the Participant dies after the commencement of benefit payments but before the payment of benefits for sixty (60) months, monthly payments of the same amount shall be paid to the Participant's Beneficiary for the remainder of such sixty (60) month period; *and provided further*, if the sum of the total benefit payments received by the Participant (or by the Participant and his or her Beneficiary) does not exceed the Participant's Accumulated Contributions, the excess of the Participant's Accumulated Contributions over the total benefit payments received by the Participant (or by the Participant and his or her Beneficiary) shall be paid to the Participant's Beneficiary.

Section 8.4 Payment of benefits hereunder shall commence no later than the April 1 next following the later of the calendar year in which the individual attains age seventy and one-half (70-1/2) or the calendar year in which the individual retires from the Employer.

ARTICLE IX

Vested Deferred Benefits

Section 9.1 The eligibility of a Participant to receive a distribution of benefits upon severance from employment with the Employer before Normal Retirement Date or Early Retirement Date shall be determined under this Article IX.

Section 9.2 A Participant shall always be one hundred percent (100%) vested in his or her Participant Accrued Benefit.

Section 9.3 (a) With respect to a Participant who is a Nonunion Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee, the Participant will be one hundred percent (100%) vested in his or her Employer Accrued Benefit after he or she has completed five Years of Vesting Service.

(b) With respect to a Participant who is a Division 000 Police Officer Employee, the Participant will become vested in his or her Employer Accrued Benefit in accordance with the following schedule:

<u>Years of Vesting Service</u>	<u>Percentage Vested</u>
Less than five Years of Vesting Service	0%
Five or more but less than six Years of Vesting Service	50%
Six or more but less than seven Years of Vesting Service	60%
Seven or more but less than eight Years of Vesting Service	70%
Eight or more but less than nine Years of Vesting Service	80%
Nine or more but less than ten Years of Vesting Service	90%
Ten or more Years of Vesting Service	100%

With respect to a Participant who is a Division 001 Police Officer Employee, the Participant will become vested in his or her Employer Accrued Benefit in accordance with the following schedule:

<u>Years of Vesting Service</u>	<u>Percentage Vested</u>
Less than ten Years of Vesting Service	0%
Ten or more Years of Vesting Service	100%

(c) Upon a Participant's severance from employment before his or her Normal Retirement Date or Early Retirement Date, the portion of the Participant's Employer Accrued Benefit that is not vested (if any) shall be forfeited, subject to restoration pursuant to Section 10.4.

Section 9.4 A Terminated Participant who is eligible to receive a vested deferred benefit may elect to receive either:

(a) His or her vested deferred benefit commencing on the first day of any month subsequent to the date on which he or she reaches his or her Normal Retirement Date and subsequent to the Plan Administrator's receipt of an Application for Benefits; or

(b) His or her vested deferred benefit commencing on the first day of any month subsequent to his or her Early Retirement Date, subsequent to the Plan Administrator's receipt of an Application for Benefits, and prior to his or her Normal Retirement Date, *but reduced by* the appropriate early retirement adjustment factor set forth in Section 6.2(b).

Section 9.5 Except as otherwise provided in Article X, a Terminated Participant's vested deferred benefit shall be paid in equal monthly installments in the form of an annuity for the life of the Participant in the amount determined under Section 9.4, shall commence as soon as practicable following the Plan Administrator's receipt of the Application for Benefits required by Section 9.4, and shall continue until the Participant's death; *provided, however*, if the Participant dies after the commencement of benefit payments but before the payment of benefits for sixty (60) months, monthly payments of the same amount shall be paid to the Participant's Beneficiary for the remainder of such sixty (60) month period; *and provided further*, if the sum of the total benefit payments received by the Participant (or by the Participant and his or her Beneficiary) does not exceed the Participant's Accumulated Contributions, the excess of the Participant's Accumulated Contributions over the total benefit payments received by the Participant (or by the Participant and his or her Beneficiary) shall be paid to the Participant's Beneficiary.

ARTICLE X

Payment of Benefits

Section 10.1 (a) In lieu of receiving his or her normal retirement benefit, early retirement benefit, postponed retirement benefit or vested deferred benefit in the form of a modified five year certain and life annuity (as described in Section 5.3, Section 6.3, Section 8.3 and Section 9.5), a Retired Participant or a Terminated Participant may elect to have the Actuarial Equivalent of such benefit (based on the factors set forth in Appendix A) paid in one of the following forms, as selected by the Participant on an Application for Benefits filed pursuant to Article XIII:

(i) *100/100 joint and survivor annuity option:* An annuity providing reduced monthly payments for the life of the Participant and, in the event the Participant dies after the commencement of benefit payments but before the death of the joint annuitant, monthly payments equal to one hundred percent (100%) of the amount paid to the Participant during his or her lifetime shall be paid to the Participant's surviving joint annuitant for his or her lifetime; *provided, however*, if the sum of the total benefit payments received by the Participant (or by the Participant and his or her joint annuitant) does not exceed the Participant's Accumulated Contributions, the excess of the Participant's Accumulated Contributions over the total benefit payments received by the Participant (or by the Participant and his or her joint annuitant) shall be paid to the Participant's Beneficiary.

(ii) *100/66-2/3 joint and survivor annuity option:* An annuity providing reduced monthly payments for the life of the Participant and, in the event the Participant dies after the commencement of benefit payments but before the death of the joint annuitant, monthly payments equal to sixty-six and two-thirds percent (66-2/3%) of the amount paid to the Participant during his or her lifetime shall be paid to the Participant's surviving joint annuitant for his or her lifetime; *provided, however*, if the sum of the total benefit payments received by the Participant (or by the Participant and his or her joint annuitant) does not exceed the Participant's Accumulated Contributions, the excess of the Participant's Accumulated Contributions over the total benefit payments received by the Participant (or by the Participant and his or her joint annuitant) shall be paid to the Participant's Beneficiary.

(iii) *100/50 joint and survivor annuity option:* An annuity providing reduced monthly payments for the life of the Participant and, in the event the Participant dies after the commencement of benefit payments but before the death of the joint annuitant, monthly payments equal to fifty percent (50%) of the amount paid to the Participant during his or her lifetime shall be paid to the Participant's surviving joint annuitant for his or her lifetime; *provided, however*, if the sum of the total benefit payments received by the Participant (or by the Participant and his or her joint annuitant) does not exceed the Participant's Accumulated Contributions, the excess of the Participant's Accumulated

Contributions over the total benefit payments received by the Participant (or by the Participant and his or her joint annuitant) shall be paid to the Participant's Beneficiary.

(iv) *Single life annuity*: With respect to a Participant who is a Nonunion Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee, an annuity providing monthly payments for the life of the Participant; *provided, however*, if the sum of the total benefit payments received by the Participant does not exceed the Participant's Accumulated Contributions, the excess of the Participant's Accumulated Contributions over the total benefit payments received by the Participant shall be paid to the Participant's Beneficiary.

A single life annuity is not available to a Participant who is a Police Officer Employee.

(b) The following rules shall govern the election of an optional form of benefit by a Retired Participant or a Terminated Participant:

(i) The Retired Participant or Terminated Participant can elect or cancel his or her election of an optional form of benefit at any time during the one hundred eighty (180) day period (the ninety (90) day period for Plan Years beginning prior to January 1, 2007) before the Annuity Starting Date.

(ii) A joint annuitant must be an individual, and the consent of the joint annuitant shall not be required for the election of, or for the cancellation of an election to receive, an optional form of benefit.

(iii) If a joint and survivor annuity option is elected and the Retired Participant or Terminated Participant dies before the optional form of benefit commences, the election shall be null and void; *provided, however*, if a joint and survivor annuity option is elected and the Retired Participant or Terminated Participant dies on or after his or her Normal Retirement Date but before the optional form of benefit commences, then the joint annuitant selected by the Retired Participant or Terminated Participant shall receive for the first sixty (60) months (or until the joint annuitant's death, if earlier) the benefit that would have been payable to the Retired Participant or Terminated Participant if he or she had commenced to receive the elected joint and survivor annuity immediately prior to his or her death, and thereafter the joint annuitant will receive the survivor benefit payable under the elected joint and survivor annuity.

(iv) If a joint and survivor annuity option is elected and the joint annuitant dies before the optional form of benefit commences, the election shall be null and void.

Section 10.2 (a) A Retired Participant or a Terminated Participant can elect to receive a lump sum distribution of his or her Accumulated Contributions at any time following his or her severance from employment.

(b) With respect to the Accumulated Contributions of a Retired Participant or a Terminated Participant:

(i) The normal retirement benefit, early retirement benefit, postponed retirement benefit, or vested deferred benefit of a Retired Participant or a Terminated Participant who elects to leave his or her Accumulated Contributions in the Plan shall equal his or her Participant Accrued Benefit and the vested portion of his or her Employer Accrued Benefit.

(ii) The normal retirement retirement benefit, early retirement benefit, postponed retirement benefit, or vested deferred benefit of a Retired Participant or a Terminated Participant who elects to receive a distribution of his or her Accumulated Contributions shall equal the vested portion of his or her Employer Accrued Benefit.

Section 10.3 (a) For purposes of this Section 10.3, the following terms shall have the meanings set forth below:

(i) “*Designated beneficiary*” means the individual who is the Participant’s designated beneficiary pursuant to Section 11.5(a)(i).

(ii) “*Distribution calendar year*” means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date.

(iii) “*Life expectancy*” means life expectancy as computed by use of the Single Life Table in Regulation Section 1.401(a)(9)-9.

(iv) “*Required beginning date*” means the date specified in Section 8.4 of the Plan.

(b) Distributions under the Plan shall be subject to the rules set forth in this Section 10.3. All distributions required under this Section 10.3 will be determined and made in accordance with Regulations under Section 401(a)(9) of the Code. The rules set forth herein shall be applied as of the time when distributions are required under Section 8.4 to commence and shall not govern distributions made prior to such time; *provided, however*, that distributions commencing prior to such time which will not satisfy the requirements of this Section 10.3 as of such time and thereafter shall be treated as failing to satisfy such requirements when they commence.

(c) The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with subsection (d) and subsection (e). If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and Regulations. Any part of the Participant's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and Regulations that apply to individual accounts.

(d) If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

(i) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;

(ii) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in subsection (e);

(iii) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;

(iv) payments will either be nonincreasing or increase only as follows:

(A) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;

(B) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in subsection (e) dies or is no longer the Participant's Beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p) of the Code;

(C) to provide cash refunds of employee contributions upon the Participant's death; or

(D) to pay increased benefits that result from a Plan amendment.

The amount that must be distributed on or before the Participant's required beginning date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 11.5) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment

interval ends in the next calendar year. Payment intervals are the periods for which payments are received (e.g., bi-monthly, monthly, semi-annually, or annually). All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's required beginning date.

Any additional benefits accruing to the Participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

(e) (i) If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-Spouse beneficiary, annuity payments to be made on or after the Participant's required beginning date to the designated beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the Regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-Spouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

(ii) Unless the Participant's Spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age seventy (70), the applicable distribution period for the Participant is the distribution period for age seventy (70) under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Regulations plus the excess of seventy (70) over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's Spouse is the Participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this subsection (e)(ii), or the joint life and last survivor expectancy of the Participant and the Participant's Spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Regulations, using the Participant's and Spouse's attained ages as of the Participant's and Spouse's birthdays in the calendar year that contains the annuity starting date.

Section 10.4 (a) This subsection (a) applies to a Participant who is a Nonunion Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee.

If the Participant is not vested in any portion of his or her Employer Accrued Benefit, he or she receives a distribution of his or her Accumulated Contributions pursuant to Section 10.2, and he or she is reemployed, the Participant can elect to repay the distribution of his or her Accumulated Contributions, plus Credited Interest from the date of the distribution to the date of repayment. If the Participant makes such a repayment, then his or her Participant Accrued Benefit shall be restored, and his or her Employer Accrued Benefit shall be restored subject to vesting pursuant to Section 9.3(a).

(b) This subsection (b) applies to a Participant who is a Police Officer.

If the Participant is one hundred percent (100%) vested in his or her Employer Accrued Benefit, he or she is absent from employment for up to eighteen (18) months, he or she receives a lump sum distribution of his or her Accumulated Contributions pursuant to Section 10.2, and he or she is reemployed, the Participant can elect to repay the distribution of his or her Accumulated Contributions, plus Credited Interest from the date of the distribution to the date of repayment. If the Participant makes such a repayment, then his or her Accrued Benefit shall equal his or her restored Participant Accrued Benefit plus his or her vested Employer Accrued Benefit.

(c) Any election by a reemployed Participant to repay a lump sum distribution of his or her Accumulated Contributions pursuant to this Section 10.4 must be made by the end of the Plan Year following the Plan Year in which he or she is reemployed.

(d) Any amount recontributed to the Plan pursuant to this Section 10.4 shall not be considered an annual addition for purposes of Article XII.

Section 10.5 (a) If a Participant continues in the active service of the Employer after such Participant's Normal Retirement Date and receives payment from the Employer for ten or more days in any calendar month, then such Participant's retirement benefit shall not commence until such Participant incurs a severance from employment or receives payment from the Employer for less than ten days in a calendar month. At that time, the Participant shall be entitled to receive a postponed retirement benefit pursuant to Article VIII.

(b) If a Participant retires, returns to the active service of the Employer, and receives payment from the Employer for ten or more days in any calendar month, then such Participant's retirement benefit for such calendar month shall be suspended until such Participant incurs a subsequent severance from employment or receives payment from the Employer for less than ten days in a calendar month.

(i) A Participant's retirement benefits which have been suspended pursuant to this subsection (b) shall resume not later than the third calendar month after the calendar month in which the Participant ceases to perform the service described in this subsection (b). The initial payment shall include any amounts which were withheld during the period beginning on the date on which the suspension of benefits ceased and ending on the date of such initial payment. Benefits shall not be actuarially adjusted for any benefit payments that would have been received during the suspension of benefits period.

(ii) When a Participant whose retirement benefits have been suspended pursuant to this subsection (b) becomes eligible to receive his or her retirement benefits again, such Participant's retirement benefits shall be redetermined as follows:

(A) subject to the provisions of subsection (f) of the definition of Years of Credited Service in Article II, Years of Credited Service shall be the sum of: (I) the Years of Credited Service prior to the suspension of the retirement benefits under this subsection (b); and (II) the Years of Credited Service earned during the period retirement benefits have been suspended pursuant to this subsection (b);

(B) Average Compensation shall be determined by taking into account the Participant's Compensation during the years in which the Participant's retirement benefits were suspended pursuant to this subsection (b);

(C) the retirement benefit formula in effect following the Participant's suspension of benefits shall be used;

(D) the Participant's retirement benefits determined after the suspension of benefits ends shall be actuarially adjusted to take into account the retirement benefits which the Participant received prior to the suspension of benefits period; and

(E) after the suspension of the Participant's retirement benefits has ended, in no event shall the Participant's retirement benefits be less than the retirement benefits which the Participant was receiving prior to the suspension of benefits period.

(c) If a Participant remains an Employee after April 1 of the calendar year following the calendar year in which he or she reaches age seventy and one-half (70-1/2), then the Participant's retirement benefit shall be redetermined as of the last day of each Plan Year to equal the greater of:

(i) the Actuarial Equivalent of the retirement benefit that the Participant had accrued as of April 1 of the calendar year following the calendar year in which he or she reaches age seventy and one-half (70-1/2), *increased by* the Actuarial Equivalent of any retirement benefits that accrue after such April 1; or

(ii) the retirement benefit determined as of the last day of the prior Plan Year.

(d) The suspension of benefit provisions of this Section 10.5 shall not apply to any individual who performs services for the Employer as a non-employee independent contractor.

ARTICLE XI

Death Benefits

Section 11.1 (a) If a Participant is a Nonunion Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee, then:

(i) If the Participant was an Employee on his or her date of death, the Participant had reached his or her Early Retirement Date, and the Participant is survived by a Spouse to whom he or she was married for at least one year prior to death, then the Participant's surviving Spouse will receive an annuity for the remainder of his or her lifetime. For the first sixty (60) months after the Participant's death (or until the surviving Spouse's death, if earlier), the surviving Spouse will receive a monthly benefit equal to the retirement benefit that the Participant would have received if he or she had commenced to receive retirement benefits immediately prior to his or her death in the normal form of a five year certain and life annuity. Thereafter, the surviving Spouse will receive a monthly benefit equal to fifty percent (50%) of the retirement benefit that the Participant would have received if he or she had commenced to receive retirement benefits immediately prior to his or her death in the normal form of a five year certain and life annuity.

(ii) If the Participant was a Terminated Participant on his or her death, the Participant had reached his or her Early Retirement Date at the time he or she became a Terminated Participant, the Participant dies before his or her retirement benefits begin, and the Participant is survived by a Spouse to whom he or she was married for at least one year prior to death, then the Participant's surviving Spouse will receive an annuity for the remainder of his or her lifetime. For the first sixty (60) months after the Participant's death (or until the surviving Spouse's death, if earlier), the surviving Spouse will receive a monthly benefit equal to the retirement benefit that the Participant would have received if he or she had commenced to receive retirement benefits immediately prior to his or her death in the normal form of a five year certain and life annuity. Thereafter, the surviving Spouse will receive a monthly benefit equal to fifty percent (50%) of the retirement benefit that the Participant would have received if he or she had commenced to receive retirement benefits immediately prior to his or her death in the normal form of a five year certain and life annuity.

(b) If a Participant is a Police Officer Employee, then no death benefits are payable to his or her surviving Spouse under this Section 11.1.

Section 11.2 (a) If a Participant is receiving retirement benefits in the normal form of a five year certain and life annuity, and he or she dies within the sixty (60) month period beginning on the Annuity Starting Date, then the Participant's Beneficiary will receive payments

for the remainder of the sixty (60) month period equal to the payments that the Participant was receiving at the time of his or her death.

(b) If a Participant is receiving a 100/100 joint and survivor annuity, a 100/66-2/3 joint and survivor annuity, or a 100/50 joint and survivor annuity and he or she dies, then the Participant's surviving joint annuitant will receive for the remainder of the joint annuitant's life the survivor benefit required by the applicable joint and survivor annuity.

(c) If a Participant is receiving a 100/100 joint and survivor annuity, a 100/66-2/3 joint and survivor annuity, or a 100/50 joint and survivor annuity, and both the Participant and the joint annuitant die within the sixty (60) month period beginning on the Annuity Starting Date, then: (i) if the Participant dies before the joint annuitant, the Participant's Beneficiary will receive for the remainder of the sixty (60) month period the payments that the joint annuitant was receiving at the time of the joint annuitant's death; and (ii) if the joint annuitant dies before the Participant, the Participant's Beneficiary will receive for the remainder of the sixty (60) month period the payments that the Participant was receiving at the time of the Participant's death.

Section 11.3 (a) If a Participant is a Nonunion Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee, the Participant dies before his or her Annuity Starting Date, and the Participant does not have a surviving Spouse, then the Beneficiary of the Participant will receive a lump sum distribution equal to the Participant's Accumulated Contributions.

If a Participant is a Police Officer Employee and the Participant dies before his or her Annuity Starting Date, then the Beneficiary of the Participant will receive a lump sum distribution equal to the Participant's Accumulated Contributions.

(b) If a Participant is a Nonunion Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee, the Participant dies, and the Participant's surviving Spouse, Beneficiary or joint annuitant has received the benefits to which he or she is entitled under Section 11.1 or Section 11.2, then the Participant's Beneficiary will receive a lump sum distribution equal to the excess (if any) of: (i) the Participant's Accumulated Contributions, over (ii) the total monthly benefits paid to the Participant (and his or her surviving Spouse, Beneficiary or joint annuitant).

If a Participant is a Police Officer Employee, the Participant dies, and the Participant's Beneficiary or joint annuitant has received the benefits to which he or she is entitled under Section 11.2, then the Participant's Beneficiary will receive a lump sum distribution equal to the excess (if any) of: (i) the Participant's Accumulated Contributions, over (ii) the total monthly benefits paid to the Participant (and his or her Beneficiary or joint annuitant).

Section 11.4 Each Participant shall have the right to designate the joint annuitant or Beneficiary to receive certain death benefits payable hereunder. Such designation shall be made

on a form furnished by and filed with the Plan Administrator, and may be changed in a like manner.

Section 11.5 (a) For purposes of this Section 11.5, the following terms shall have the meanings set forth below:

(i) “*Designated beneficiary*” means the individual who is designated as the Participant’s Beneficiary and who satisfies the requirements for being a designated beneficiary under Code Section 401(a)(9) and Regulation Section 1.401(a)(9)-4. The Participant’s designated beneficiary will be determined based on the beneficiaries designated as of the Participant’s date of death who remain beneficiaries as of September 30 of the calendar year following the calendar year of the Participant’s death; *provided, however,* if the Participant’s Spouse is the Participant’s sole designated beneficiary as of September 30 of the calendar year following the calendar year of the Participant’s death and the surviving Spouse dies after the Participant and before the date on which distributions would have begun to the surviving Spouse under this Section 11.5, then this Section 11.5 will apply as if the surviving Spouse were the Participant; *and provided further,* if an individual is designated as the Participant’s beneficiary as of the Participant’s date of death and the individual dies prior to September 30 of the calendar year following the calendar year of the Participant’s death without disclaiming, then the individual will continue to be treated as a beneficiary of the Participant as of September 30 of the calendar year following the calendar year of the Participant’s death for purposes of determining the Participant’s designated beneficiary.

Only an individual may be a designated beneficiary. If a person other than an individual is designated as the Participant’s Beneficiary, the Participant will be treated as having no designated beneficiary; *provided, however,* that the individual beneficiaries of a trust will be treated as the Participant’s beneficiaries if the trust meets the following requirements:

(A) the trust is a valid trust under state law (or would be a valid trust but for the fact that there is no corpus);

(B) the trust is irrevocable or will, by its terms, become irrevocable upon the death of the Participant;

(C) the beneficiaries of the trust who are beneficiaries with respect to the trust’s interest in the death benefit payable under the Plan are identifiable from the trust instrument; and

(D) the documentation required by Regulation Section 1.401(a)(9)-4, Q-6 is provided to the Plan Administrator.

If more than one individual is designated as a Participant's Beneficiaries, the individual with the shortest life expectancy will be considered the Participant's designated beneficiary.

(ii) "*Distribution calendar year*" means a calendar year for which a minimum distribution is required. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under subsection (b). The required minimum distribution will be made on or before December 31 of the distribution calendar year.

(iii) "*Life expectancy*" means life expectancy as computed by use of the Single Life Table in Regulation Section 1.401(a)(9)-9.

(iv) "*Required beginning date*" means the date specified in Section 8.4 of the Plan.

(b) If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(i) If the Participant's surviving Spouse is the Participant's sole designated beneficiary, then distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died (or by December 31 of the calendar year in which the Participant would have attained age seventy and one-half (70-1/2), if later).

(ii) If the Participant's surviving Spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(iii) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iv) If the Participant's surviving Spouse is the Participant's sole designated beneficiary and the surviving Spouse dies after the Participant but before distributions to the surviving Spouse begin, this subsection (b), other than subsection (b)(i), will apply as if the surviving Spouse were the Participant.

(c) (i) If the Participant dies before the date on which distribution of his or her interest begins and there is a designated beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in subsection (b), over the life of the designated beneficiary or over a period certain not exceeding:

(A) unless the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or

(B) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

(ii) If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iii) If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving Spouse is the Participant's sole designated beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this subsection (c) will apply as if the surviving Spouse were the Participant, except that the time by which distributions must begin will be determined without regard to subsection (b)(i).

(d) For purposes of subsection (b) and subsection (c), unless subsection (b)(iv) applies, distributions are considered to begin on the Participant's required beginning date. If subsection (b)(iv) applies, distributions are considered to begin on the date distributions are required to begin to the surviving Spouse under subsection (b)(i). If annuity payments irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving Spouse before the date distributions are required to begin to the surviving Spouse under subsection (b)(i)), the date distributions are considered to begin is the date distributions actually commence.

ARTICLE XII

Limitations on Benefits

Section 12.1 The following definitions shall apply for purposes of this Article XII:

(a) "*Annual additions*" mean the following:

(i) Annual additions mean, for each limitation year, the sum of:

(A) the elective deferral contributions and contributions by the Employer allocated to a Participant under any qualified defined contribution retirement plan;

(B) any forfeitures allocated to a Participant under such a plan;

(C) any contribution to such a plan by the Participant; and

(D) any contribution by the Employer allocated to an individual medical account, as defined in Section 415(l)(2) of the Code, established for a Participant under any pension or annuity plan.

(ii) Annual additions shall not include investment earnings allocable to a Participant or any amounts received by the Plan in a direct transfer from another qualified retirement trust. The maximum annual additions credited to any Participant for any limitation year shall not exceed an amount equal to the lesser of one hundred percent (100%) of his or her earnings or \$40,000 (adjusted after 2002 in accordance with regulations for increases in the cost of living). For the limitation year beginning on July 1, 2015, the dollar limitation is \$53,000.

(b) "*Earnings*" include and exclude the following amounts:

(i) Earnings include wages, salaries, fees for professional services, and other amounts received (whether or not paid in cash) during a limitation year for personal services actually rendered in the course of employment with the Employer to the extent that such amounts are includible in gross income for federal income tax purposes. Earnings includes commissions paid to salespersons, compensation based on profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan (as described in Section 1.62-2(c) of the Regulations).

(ii) Earnings include amounts that would be described in subsection (b)(i) but for any of the following:

(A) they are contributed at the election of the Participant to a cafeteria plan described in Code Section 125, to a qualified transportation fringe benefit plan described in Code Section 132(f)(4), to a cash or deferred arrangement described in Code Section 401(k), to an annuity contract described in Code Section 403(b), to a simplified employee pension described in Code Section 408(k)(6), or to a simple retirement account described in Code Section 408(p);

(B) they are deferred under an eligible deferred compensation plan within the meaning of Code Section 457(b); or

(C) they are employee contributions treated as employer contributions under Code Section 414(h)(2) (government pick-ups).

(iii) Earnings exclude:

(A) any contributions that are made by the Employer to a plan of deferred compensation to the extent such contributions are not includible in the gross income of the Participant (other than contributions made at the election of the Participant under an arrangement described in subsection (b)(ii)), or any distributions from a plan of deferred compensation;

(B) amounts realized from the exercise of a nonqualified stock option or by reason of property subject to Code Section 83 becoming freely transferable or no longer subject to a substantial risk of forfeiture;

(C) amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option (as defined in Regulation Section 1.421(b)-1(b)); and

(D) other amounts that receive special tax benefits, including premiums for group term life insurance (but only to the extent that the premiums are not includible in the gross income of the Participant and are not salary reduction amounts described in Code Section 125).

Amounts contributed at the election of a Participant under an arrangement described in Code Section 125 shall include any amounts that are not available to a Participant in cash in lieu of group health insurance coverage because the Participant is unable to certify that he or she has other health coverage, but only if the Employer does not request or collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

Amounts that a Participant receives following severance from employment are not considered to be Earnings, unless the amounts are received by the later of two and one-half months (2-1/2 months) following the Participant's severance from employment or the end of the limitation year that includes the date of the Participant's severance from employment, and such amounts: (i) would have been payable to the Participant if employment had not terminated and

are either regular compensation for services during the Participant's regular working hours, compensation for services outside of the Participant's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar compensation; or (ii) represent payments for accrued bona fide sick, vacation, or other leave, but only if the Participant would have been able to use the leave if employment had continued.

Furthermore, anything herein to the contrary notwithstanding, earnings for a limitation year include amounts earned during the limitation year but not paid during the limitation year solely because of the timing of pay periods and pay dates if: (i) the amounts are paid during the first few weeks of the next limitation year; (ii) the amounts are included on a uniform and consistent basis with respect to all similarly situated Participants; and (iii) no amounts are included in more than one limitation year.

(c) "*Excess amount*" means the amount allocated or credited to a Participant in excess of the limits imposed by Section 12.2 or Section 12.3.

(d) "*Limitation year*" means the Plan Year. Where the Employer maintains more than one qualified plan, those plans may provide for different limitation years. If the limitation year is amended to a different twelve (12) consecutive month period, the new limitation year shall begin on a date within the limitation year in which the amendment is adopted.

If the Plan is terminated as of a date other than the last day of the limitation year, the Plan shall be treated as if the Plan was amended to change the limitation year and create a short limitation year ending on the date the Plan is terminated.

(e) "*Minimum accrued benefit*" means the sum of the annual retirement benefits accrued by a Participant under all qualified defined benefit plans of the Employer that were in effect on May 6, 1986, as of the end of the last limitation year of such plans beginning before 1987, computed without regard to any changes in the provisions of such plans after May 5, 1986. The preceding sentence shall apply only if the plans described therein individually and collectively satisfied the requirements of Section 415 of the Code for all limitation years beginning before 1987.

(f) "*Projected annual retirement benefit*" means the annual benefit to which a Participant would be entitled under any qualified defined benefit retirement plan maintained by the Employer, based on the assumptions that employment continues until normal retirement age, that earnings continue until normal retirement age at the same rate as in effect in the limitation year under consideration, and that all other relevant factors used to determine benefits under the plan as of the current limitation year remain constant for all such future limitation years.

(g) "*Social Security retirement age*" means a Participant's retirement age under Section 216(l) of the Social Security Act determined without regard to the age increase factor under such section as if the early retirement age under paragraph (2) thereof were sixty-two (62).

Section 12.2 (a) Subject to the exceptions set forth below, in no event shall the retirement benefit of a Participant payable under this Plan and all other defined benefit plans maintained (or previously maintained) by the Employer for any limitation year exceed the “415 Dollar Limitation”. The 415 Dollar Limitation equals \$160,000 (as adjusted after 2002 in accordance with regulations for increases in the cost of living). For the limitation year ending on June 30, 2015, the 415 Dollar Limitation is \$210,000.

As of January 1 of each calendar year, the dollar limitation as determined by the Commissioner of Internal Revenue for that calendar year will become effective as the 415 Dollar Limitation of the Plan for that calendar year. The 415 Dollar Limitation for a calendar year applies to limitation years ending with or within that calendar year.

If the benefit the Participant would otherwise accrue under this Plan would produce a retirement benefit in excess of the 415 Dollar Limitation, the Participant’s rate of benefit accrual under this Plan will be reduced so that his or her annual benefit from all such plans will equal the 415 Dollar Limitation.

This subsection (a) shall apply regardless of whether any Participant is or has ever been a Participant of another qualified plan maintained by the Employer.

(b) The limitation set forth in subsection (a) shall be adjusted, where necessary, as follows:

(i) Where the annual benefit is payable to a Participant in a form other than a straight life annuity, the limitation shall be applied after adjusting such annual benefit to the equivalent of a straight life annuity beginning at the same annuity starting date. The annual benefit does not include any benefits attributable to employee contributions that are not “picked up” by the Employer or any rollover contributions, or the assets transferred from a qualified plan that was not maintained by the Employer. No actuarial adjustment to the benefit is required for: (A) the value of a qualified joint and survivor annuity; (B) the value of benefits that are not directly related to retirement benefits (such as a qualified disability benefit, pre-retirement death benefits, and post-retirement medical benefits); and (C) the value of post-retirement cost-of-living increases made in accordance with Section 415(d) of the Code and Regulation Section 1.415-3(c)(2)(iii) of the Internal Revenue Service.

For limitation years beginning prior to July 1, 2007, the actuarial equivalent straight life annuity shall be the greater of the annuity determined: (A) by using the actuarial assumptions set forth in the definition of Actuarial Equivalent; or (B) by substituting the Applicable Mortality Table in the GATT Factors for the mortality table in the definition of Actuarial Equivalent and by substituting five percent (5%) for the Plan’s interest rate assumption in the definition of Actuarial Equivalent; *provided, however*, that if the form of benefit is subject to Code Section 417(e)(3): (I) for the Plan Years beginning prior to 2004, five percent (5%) shall be replaced by the Applicable Interest Rate, (II) for the Plan Years beginning in 2004 and 2005, five percent (5%) shall be

replaced by five and one-half percent (5.5%), and (III) for Plan Years beginning in 2006 or thereafter, five percent (5%) shall be replaced by the greatest of (1) five and one-half percent (5.5%), (2) the rate that provides a benefit of not more than one hundred five percent (105%) of the benefit that would be provided if the Applicable Interest Rate were the interest rate assumption, and (3) the rate specified in the definition of Actuarial Equivalent.

For limitation years beginning on or after July 1, 2007, the actuarial equivalent straight life annuity shall be the greater of the annuity beginning at the same annuity starting date and determined: (A) by using the actuarial assumptions set forth in the definition of Actuarial Equivalent; or (B) by substituting the Applicable Mortality Table in the GATT Factors for the mortality table in the definition of Actuarial Equivalent and by substituting five percent (5%) for the Plan's interest rate assumption in the definition of Actuarial Equivalent; *provided, however*, that if the form of benefit is subject to Code Section 417(e)(3), five percent (5%) shall be replaced by the greatest of: (I) five and one-half percent (5.5%); (II) the rate that provides a benefit of not more than one hundred five percent (105%) of the benefit that would be provided if the Applicable Interest Rate were the interest rate assumption; and (III) the rate specified in the definition of Actuarial Equivalent.

(ii) If the annual benefit begins before age sixty-two (62), the 415 Dollar Limitation shall be reduced as follows:

(A) For limitation years beginning prior to July 1, 2007, the 415 Dollar Limitation shall be reduced to an annual benefit commencing when the annual benefit actually begins that is the actuarial equivalent of an annual benefit commencing at age sixty-two (62) equal to the 415 Dollar Limitation. Actuarial equivalent shall equal the lesser of the amount determined by using the actuarial assumptions set forth in the definition of Actuarial Equivalent or the amount determined: (I) by substituting the Applicable Mortality Table for the mortality table in the definition of Actuarial Equivalent, if such table would otherwise be used under the Plan; and (II) except as otherwise provided in subsection (b)(iv), by applying an interest rate assumption of five percent (5%).

(B) For limitation years beginning on or after July 1, 2007, if the Plan does not have an immediately commencing straight life annuity payable at both age sixty-two (62) and the age of benefit commencement, the 415 Dollar Limitation shall be reduced to an annual benefit commencing when the annual benefit actually begins that is the actuarial equivalent of an annual benefit commencing at age sixty-two (62) equal to the 415 Dollar Limitation. Except as otherwise provided in subsection (b)(iv), actuarial equivalent shall be determined by using the Applicable Mortality Table (expressing the Participant's age based on completed calendar months as of the Annuity Starting Date) and by applying an interest rate assumption of five percent (5%).

For limitation years beginning on or after July 1, 2007, if the Plan has an immediately commencing straight life annuity payable at both age sixty-two (62) and the age of benefit commencement, the 415 Dollar Limitation shall be reduced to an annual benefit commencing when the annual benefit actually begins that is the actuarial equivalent of an annual benefit commencing at age sixty-two (62) equal to the lesser of: (I) the annual benefit determined in accordance with the immediately preceding paragraph; or (II) the 415 Dollar Limitation multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the Participant's annuity starting date to the annual amount of the immediately commencing straight life annuity under the Plan at age sixty-two (62) (both determined without applying the limitations of Section 415).

(C) Any decrease in the 415 Dollar Limitation determined in accordance with this subsection (b)(ii) shall not reflect the mortality decrement to the extent that benefits will not be forfeited upon the death of the Participant. If any benefits are forfeited upon death, the full mortality decrement is taken into account.

(D) Notwithstanding the above, the provisions of this subsection (b)(ii) shall not apply to any Participant who has at least fifteen years of service as a full-time police officer or firefighter.

(E) Notwithstanding the above, the provisions of this subsection (b)(ii) shall not apply to benefits received as a result of the recipient becoming disabled by reason of personal injury or sickness, or benefits received by the beneficiary, survivor or estate of a Participant as the result of the death of the Participant.

(iii) If the annual benefit begins after age sixty-five (65), the 415 Dollar Limitation shall be increased as follows:

(A) For limitation years beginning prior to July 1, 2007, the 415 Dollar Limitation shall be increased to an annual benefit commencing when the annual benefit actually begins that is the actuarial equivalent of an annual benefit commencing at age sixty-five (65) equal to the Dollar Limitation. Actuarial equivalent shall equal the lesser of the amount determined by using the actuarial assumptions set forth in the definition of Actuarial Equivalent or the amount determined: (I) by substituting the Applicable Mortality Table in the GATT Factors for the mortality table in the definition of Actuarial Equivalent, if such table would otherwise be used under the Plan; and (II) except as otherwise provided in subsection (b)(iv), by applying an interest rate assumption of five percent (5%).

(B) For limitation years beginning on or after July 1, 2007, if the Plan does not have an immediately commencing straight life annuity payable at both age sixty-five (65) and the age of benefit commencement, the 415 Dollar

Limitation shall be increased to an annual benefit commencing when the annual benefit actually begins that is the actuarial equivalent of an annual benefit commencing at age sixty-five (65) equal to the 415 Dollar Limitation. Except as otherwise provided in subsection (b)(iv), actuarial equivalent shall be determined by using the Applicable Mortality Table (expressing the Participant's age based on completed calendar months as of the Annuity Starting Date) and by applying an interest rate assumption of five percent (5%).

For limitation years beginning on or after July 1, 2007, if the Plan has an immediately commencing straight life annuity payable at both age sixty-five (65) and the age of benefit commencement, the 415 Dollar Limitation shall be increased to an annual benefit commencing when the annual benefit actually begins that is the actuarial equivalent of an annual benefit commencing at age sixty-five (65) equal to the lesser of: (I) the annual benefit determined in accordance with the immediately preceding paragraph; or (II) the 415 Dollar Limitation multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the Participant's Annuity Starting Date to the annual amount of the immediately commencing straight life annuity under the Plan at age sixty-five (65) (both determined without applying the limitations of Section 415).

(C) For purposes of this subsection (b)(iii), mortality between age sixty-five (65) and the age at which benefits commence shall be ignored.

(iv) For purposes of adjusting the 415 Dollar Limitation under subsection (b)(ii) or subsection (b)(iii) above for a form of benefit payment subject to the restrictions on cash-outs under Code Section 417(e)(3), the Applicable Interest Rate in the GATT Factors shall be substituted for five percent (5%).

(v) The limitations shall not apply if the aggregate annual benefit of a Participant payable under this Plan and all other defined benefit plans maintained by the Employer does not exceed \$10,000 for the limitation year or for any prior limitation year and such Participant at no time participated in a defined contribution plan, a welfare benefit plan as defined in Code Section 419(e) or an individual medical account as defined in Code Section 415(l)(2) maintained by the Employer. For purposes of this subsection (b)(v), the benefits payable with respect to the Participant under a plan for a limitation year reflect all amounts payable under the plan for the limitation year, and are not adjusted for form of benefit or commencement date.

(vi) Where the annual benefit is payable to a Participant who has been a Participant of the Plan for less than ten (10) years, the 415 Dollar Limitation shall be multiplied by a fraction, the numerator of which is the Participant's number of years of participation as a Participant of the Plan, and the denominator of which is ten (10). If two or more defined benefit plans are aggregated for a particular limitation year and the annual benefit is payable to a Participant who has been a Participant of the Plan for less

than ten (10) years, the 415 Dollar Limitation shall be multiplied by a fraction, the numerator of which is the Participant's number of years of participation as a Participant of this Plan and all other defined benefit plans maintained by the Employer, and the denominator of which is ten (10).

Notwithstanding the above, the provisions of this subsection (b)(vi) shall not apply to benefits received as a result of the recipient becoming disabled by reason of personal injury or sickness, or benefits received by the beneficiary, survivors or estate of a Participant as the result of the death of the Participant.

(vii) Where the annual benefit is payable to a Participant who has less than ten (10) years of service with the Employer, the \$10,000 amount in subsection (b)(v) shall be multiplied by a fraction, the numerator of which is the Participant's number of years of service with the Employer and the denominator of which is ten (10). If two or more defined benefit plans are aggregated for a particular limitation year and the annual benefit is payable to a Participant who has less than ten (10) years of service with the Employer, the \$10,000 amount shall be multiplied by a fraction, the numerator of which is the Participant's number of years of service with the Employer and the denominator of which is ten (10).

Notwithstanding the above, the provisions of this subsection (b)(vii) shall not apply to benefits received as a result of the recipient becoming disabled by reason of personal injury or sickness, or benefits received by the beneficiary, survivors or estate of a Participant as the result of the death of the Participant.

(viii) In no event shall subsection (b)(vi) or subsection (b)(vii) reduce the 415 Dollar Limitation or the \$10,000 amount in subsection (b)(v) to an amount less than one-tenth (1/10th) of such amounts (determined without regard to subsection (b)(vi) and subsection (b)(vii)).

(ix) To the extent provided in regulations or in other guidelines promulgated by the Secretary of the Treasury, subsection (b)(vi), subsection (b)(vii) and subsection (b)(viii) shall be applied separately with respect to each change in the benefit structure of the Plan.

(c) For purposes of applying the limitations of Code Section 415, all defined benefit plans (without regard to whether a plan has been terminated) ever maintained by the Employer (or a "predecessor employer") under which the Participant accrues a benefit are treated as one defined benefit plan. The "Employer" means the Employer that adopts this Plan and all members of a controlled group or an affiliated service group that includes the Employer (within the meaning of Code Section 414(b), (c), (m) or (o)), *except that* the determination shall be made by applying Code Section 415(g) and (h) and shall take into account tax-exempt organizations under Regulation Section 1.414(c)-5, as modified by Regulation Section 1.415(a)-1(f)(1). For purposes of this subsection (c):

(i) A former employer is a "predecessor employer" with respect to a Participant in a plan maintained by the Employer if the Employer maintains a plan under which the Participant had accrued a benefit while performing services for the former employer, but only if that benefit is provided under the plan maintained by the Employer. For this purpose, the formerly affiliated plan rules in Regulation Section 1.415(f)-1(b)(2) apply as if the Employer and the predecessor employer constituted a single employer under the rules described in Regulation Section 1.415(a)-1(f)(1) and (2) immediately prior to the cessation of affiliation (and as if they constituted two, unrelated employers under the rules described in Regulation Section 1.415(a)-1(f)(1) and (2) immediately after the cessation of affiliation) and cessation of affiliation was the event that gave rise to the predecessor employer relationship, such as a transfer of benefits or plan sponsorship.

(ii) With respect to the Employer that employs a Participant, a former entity that precedes the Employer is a "predecessor employer" with respect to the Participant if, under the facts and circumstances, the Employer constitutes a continuation of all or a portion of the trade or business of the former entity.

(iii) For purposes of aggregating plans for Code Section 415, a "formerly affiliated plan" of the Employer is taken into account for purposes of applying the Code Section 415 limitations to the Employer, but the formerly affiliated plan is treated as if it had terminated immediately prior to the "cessation of affiliation." For purposes of this subsection (c)(iii), a "formerly affiliated plan" of the Employer is a plan that, immediately prior to the cessation of affiliation, was actually maintained by one or more of the entities that constitute the Employer (as determined under the employer affiliation rules described in Regulation Section 1.415(a)-1(f)(1) and (2)), and immediately after the cessation of affiliation, is not actually maintained by any of the entities that constitute the Employer (as determined under the employer affiliation rules described in Regulation Section 1.415(a)-1(f)(1) and (2)). For purposes of this subsection (c)(iii), a "cessation of affiliation" means the event that causes an entity to no longer be aggregated with one or more other entities as a single employer under the employer affiliation rules described in Regulation Section 1.415(a)-1(f)(1) and (2), or that causes a plan to not actually be maintained by any of the entities that constitute the Employer under the employer affiliation rules of Regulation Section 1.415(a)-1(f)(1) and (2).

(iv) Two or more defined benefit plans that are not required to be aggregated pursuant to Code Section 415(f) and the Regulations thereunder as of the first day of a limitation year do not fail to satisfy the requirements of Code Section 415 with respect to a Participant for the limitation year merely because they are aggregated later in that limitation year, *provided that* the Participant is not credited with any accruals after the date on which the plans are required to be aggregated.

(d) If a Participant makes a contribution to the Plan in order to purchase "permissive service credit", then the limitations on benefits in this Section 12.2 are satisfied only if the Plan satisfies Section 12.2 by treating the accrued benefit derived from all of the Participant's

contributions to purchase “permissive service credit” as an annual benefit for purposes of Section 12.2.

For this purpose:

(i) “*Permissive service credit*” means credit for a period of service: (A) that is recognized by the Plan for purposes of calculating benefits; (B) that the Participant would not otherwise be credited under the Plan; and (C) that the Participant receives solely by making a voluntary additional contribution to the Plan in an amount (determined by the Plan) that does not exceed the amount necessary to fund the benefit attributable to such service credit. Service credit is not “permissive service credit” if more than five years of “nonqualified service” are taken into account, or if “nonqualified service” is taken into account for a Participant with less than five years of Plan participation. However, “permissive service credit” may include service credit for periods for which there is no performance of service (subject to the limits on nonqualified service), and may also include service otherwise credited under the Plan in order to provide an increased benefit.

(ii) “*Nonqualified service*” is a period of service *other than*: (A) as an employee of a Federal, state or local government; (B) as an employee of a Code Section 170(b)(1)(A)(ii) elementary or secondary educational institution which provides elementary or secondary education through grade 12, or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed; (C) as an employee of an association of governmental employees; or (D) military service (other than qualified military service under Code Section 414(u)). In the case of service described in subsection (d)(ii)(A), subsection (d)(ii)(B) or subsection (d)(ii)(C), such service is “nonqualified service” if it enables a Participant to receive a retirement benefit for the same service under more than one plan.

(e) Notwithstanding anything else herein to the contrary, the limitations, adjustments and other requirements of Section 12.2 shall at all times comply with the provisions of Code Section 415 and the regulations thereunder, the terms of which are specifically incorporated herein by reference.

Section 12.3 The provisions of this Section 12.3 shall not apply with respect to any Participant who is credited with an hour of service on or after the first day of the first limitation year beginning after December 31, 1999.

(a) In the event a Participant is or has been covered at any time under a qualified defined contribution retirement plan maintained by the Employer, whether or not terminated, the sum of the defined contribution fraction as described in subsection (b) below and the defined benefit fraction as described in subsection (c) below shall not exceed 1.0. For purposes of the preceding sentence, a qualified defined contribution retirement plan shall include a funded welfare benefit plan (as defined in Section 419(e) of the Code) and an individual medical account (as defined in Section 415(1)(2) of the Code).

(b) (i) Except as otherwise provided in subsection (b)(ii) and subject to subsection (b)(iii), the defined contribution fraction is a fraction:

(A) the numerator of which is the sum of the annual additions for the current and all prior limitation years, determined with respect to each such year under the rules governing the crediting of annual additions for such year and computed as of the end of such year: (I) credited to the Participant under any qualified defined contribution retirement plan of the Employer, whether or not terminated; (II) attributable to nondeductible employee contributions to any defined benefit retirement plan of the Employer, whether or not terminated; (III) attributable to any welfare benefit plan of the Employer; and (IV) attributable to any individual medical account maintained by the Employer; and

(B) the denominator of which is the sum of one hundred twenty-five percent (125%) of the defined contribution dollar limitation in effect for each limitation year as of the end of such year, and including limitation years when the individual was not a Participant as a result of ineligibility to participate or because the Employer did not maintain a defined contribution plan.

(ii) In the case of an individual who was a participant as of the end of the first day of the first limitation year beginning after 1986 in any qualified defined contribution plan of the Employer that was in effect on May 6, 1986, if the sum of the fraction described in this subsection (b) and the fraction described in subsection (c) would otherwise exceed 1.0, the numerator of the fraction described in this subsection (b) shall be adjusted by permanently subtracting therefrom an amount equal to the product of: (A) the excess of the sum of such fractions over 1.0; and (B) the denominator of the fraction described in this subsection (b). For purposes of the adjustment described in the preceding sentence, the applicable fractions shall be computed as of the end of the last limitation year beginning before 1987, but using the limitation under Code Section 415 applicable to the first limitation year beginning after 1986, and without regard to any change made after May 5, 1986 in the provisions of the plans taken into account under this subsection (b)(ii).

(iii) At the election of the Employer, with respect to any limitation year ending after 1982, the denominator of the defined contribution fraction of each Participant for all limitation years ending before 1983 shall be an amount equal to the product of: (A) the denominator of the defined contribution fraction for the limitation year ending in 1982 (computed under Section 415(e)(3)(B) of the Code as in effect for such year); and (B) a fraction, the numerator of which is \$51,875, and the denominator of which is \$41,500.

(iv) For purposes of subsection (b), the annual additions for any limitation year beginning before 1987 shall not be recomputed to treat all employee contributions as annual additions.

(c) (i) Subject to subsection (c)(ii), the defined benefit fraction is a fraction:

(A) the numerator of which is the sum of the Participant's projected annual retirement benefits under each qualified defined benefit retirement plan of the Employer, whether or not terminated, determined as of the end of the limitation year; and

(B) the denominator of which is one hundred twenty-five percent (125%) of \$90,000 (or, in the case of benefits commencing before or after the Social Security retirement age, the actuarial equivalent of such amount), as adjusted in accordance with regulations for increases in the cost of living using the last calendar quarter of 1986 as the base period.

(ii) If a Participant was a participant as of the first day of the first limitation year beginning after 1986 in any qualified defined benefit retirement plan of the Employer that was in effect on May 6, 1986, the denominator of the defined benefit fraction shall not be less than one hundred twenty-five percent (125%) of such Participant's minimum accrued benefit.

(iii) If the Employer maintains a qualified defined benefit retirement plan providing for any post-retirement ancillary benefits (other than a qualified joint and survivor annuity with the Participant's Spouse), the denominator referred to in subsection (c)(i) shall be adjusted in accordance with regulations.

Section 12.4 (a) For limitation years beginning on or after July 1, 2007, notwithstanding any provision of the Plan to the contrary, if an excess amount is determined for any Participant for any limitation year, the Plan may correct such excess amount only in accordance with the Employee Plans Compliance Resolution System ("EPCRS") as set forth in Revenue Procedure 2013-12 (or any superseding guidance), including, but not limited to, the preamble of the Code Section 415 final Regulations.

(b) For limitation years beginning prior to July 1, 2007, if an excess amount is determined for any Participant for any limitation year, and if such excess amount is due to the allocation of forfeitures, a reasonable error in estimating a Participant's annual earnings, or such other limited facts and circumstances as the Commissioner of Internal Revenue finds justifiable, such excess amount shall be treated as follows:

(i) Any non-deductible voluntary contributions made to this Plan or any other qualified retirement plan maintained by the Employer shall be returned to the Participant, to the extent that such return would reduce the excess amount.

(ii) Any remaining excess amount shall be attributed to, and treated in accordance with the provisions of, the qualified retirement plan or plans maintained by the Employer in which the Participant participates, in the following order:

- (A) any other qualified defined benefit retirement plan;
- (B) this Plan;
- (C) any qualified 401(k) plan;
- (D) any qualified profit sharing plan;
- (E) any qualified stock bonus plan;
- (F) any qualified target benefit pension plan; and
- (G) any qualified money purchase pension plan.

(ii) To the extent that an excess amount with respect to a Participant is not eliminated by the actions required by subsection (b)(i) and subsection (b)(ii), the Plan Administrator shall reduce such Participant's benefit under Article V.

ARTICLE XIII

Applications for Benefits and Other Distribution Procedures

Section 13.1 Benefits under the Plan shall be paid in the manner and at the time selected by the individual in an Application for Benefits filed by the individual with the Plan Administrator prior to the date on which benefits are scheduled to commence. If the individual has selected a joint and survivor annuity option under Section 10.1(a), the individual must provide the sex and date of birth of the joint annuitant on the Application for Benefits, and must provide proof of the joint annuitant's date of birth (in a form acceptable to the Plan Administrator) after the Application for Benefits is filed.

Section 13.2 The Application for Benefits required for the payment of disability benefits under Article VII must be accompanied by proof of disability.

Section 13.3 The Application for Benefits required for the payment of death benefits under Article XI must be filed by the surviving Spouse, joint annuitant or Beneficiary of a deceased Participant or the legal representative of the individual's estate and must be accompanied by a death certificate.

Section 13.4 The election of a form of payment or the designation of a Beneficiary made in an Application for Benefits may be revised by filing a new Application for Benefits prior to the Annuity Starting Date.

Section 13.5 The Plan Administrator shall promptly process each Application for Benefits received by it and shall notify the applicant in writing of the action taken regarding an Application for Benefits within a reasonable period of time following its receipt.

Section 13.6 An individual for whom benefits are being held by the Trustee shall keep the Plan Administrator notified of a current mailing address. The Plan Administrator and the Employer shall be discharged from any liability resulting from a failure to pay benefits as they become due if reasonable effort has been made to contact the individual at the last address on record.

Section 13.7 Any denial of a claim for benefits under the Plan shall be stated in writing by the Plan Administrator and delivered or mailed to the Participant, joint annuitant or other Beneficiary whose claim for benefits has been denied, and shall set forth specific reasons for such denial written in a manner calculated to be understood by such Participant, joint annuitant or other Beneficiary. Within sixty (60) days after receiving the notification of such denial, any such Participant, joint annuitant or other Beneficiary may notify the Plan Administrator in writing of his or her desire for a review of such decision. Upon such notification, the Plan Administrator shall schedule a review proceeding at which the Participant, joint annuitant or other Beneficiary shall restate his or her arguments for such claim to a representative of the Plan Administrator. The Plan Administrator's decision following such hearing shall be made within a

reasonable period of time following the Plan Administrator's receipt of the Participant's request for a review, and shall be communicated in writing to the Participant, joint annuitant or other Beneficiary.

ARTICLE XIV

Rollovers

Section 14.1 For purposes of this Article XIV, the following terms shall have the meanings set forth below:

(a) "*Direct rollover*" means a payment to one or more eligible retirement plans specified by the distributee.

(b) "*Distributee*" means an employee or former employee, the surviving Spouse of an employee or former employee, and the Spouse or former Spouse of an employee or former employee who is the alternate payee under a qualified domestic relations order as defined in Section 414(p) of the Code.

(c) "*Eligible retirement plan*" means: (i) an individual retirement account and an individual retirement annuity described in Section 408 of the Code or (effective for distributions occurring on or after January 1, 2008) a Roth individual retirement account described in Section 408A of the Code; (ii) a qualified plan described in Section 401(a) of the Code; (iii) an annuity plan described in Section 403(a) of the Code and an annuity contract described in Section 403(b) of the Code; and (iv) an eligible plan described in Section 457(b) of the Code that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and that agrees to separately account for any eligible rollover distributions transferred into such plan. Notwithstanding the above, if any portion of an eligible rollover distribution is not includible in gross income, such portion of the distribution may be transferred only to the following eligible retirement plans: (i) an individual retirement account and an individual retirement annuity described in Section 408 of the Code or (effective for distributions occurring on or after January 1, 2008) a Roth individual retirement account described in Section 408A of the Code; and (ii) a qualified plan described in Section 401(a) of the Code or an annuity contract described in Section 403(b) of the Code that receives such portion of the distribution in a direct rollover pursuant to subsection (a), that agrees to separately account for the amounts so transferred (including separately accounting for the portion of the distribution which is includible in gross income and the portion of the distribution which is not includible in gross income), and (for the period prior to January 1, 2007) that is a defined contribution plan.

(d) "*Eligible rollover distribution*" means the distribution under a qualified plan of all or a portion of the balance to the credit of a distributee, *other than*: (i) one or more distributions to be made during a taxable year of the distributee which in the aggregate are reasonably expected to be less than \$200; (ii) a distribution that is one of a series of substantially equal periodic payments made not less frequently than annually for the life or life expectancy of the distributee or the joint lives or joint life expectancy of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; (iii) the portion of any distribution that is required to be made under Section 401(a)(9) of the Code; and (iv) any distribution that is made due to the hardship of the distributee.

Section 14.2 (a) Notwithstanding any other provision of the Plan, a distributee may elect, in accordance with procedures established by the Plan Administrator, that all or a portion of an eligible rollover distribution to be made to the distributee shall instead be distributed in a direct rollover. If a portion but not all of an eligible rollover distribution is to be distributed in a direct rollover, such portion may not be less than \$500. In the case of an eligible rollover distribution not exceeding \$500, any direct rollover must consist of the entire amount of the eligible rollover distribution.

(b) Effective for distributions occurring on or after January 1, 2010, if the designated Beneficiary of a Participant is not the surviving Spouse of the Participant and is eligible to receive a distribution from the Plan due to the death of the Participant, and if the distribution satisfies all of the requirements for constituting an eligible rollover distribution set forth in Section 14.1(d) other than the requirement that the distribution be made to a distributee, then the distribution shall be treated as an eligible rollover distribution and the Beneficiary may elect that all or a portion of the distribution to be made to the Beneficiary will instead be distributed in a direct rollover to an individual retirement account or an individual retirement annuity that is maintained for the benefit of the Beneficiary and that is described in Code Section 402(c)(8)(B)(i) or Code Section 402(c)(8)(B)(ii). The individual retirement account or individual retirement annuity shall be treated as an inherited IRA pursuant to Code Section 402(c)(11).

(c) (i) Not less than thirty (30) days and not more than one hundred eighty (180) days (ninety (90) days for Plan Years beginning prior to January 1, 2007) before the Annuity Starting Date of a distributee or non-Spouse Beneficiary who is entitled to receive an eligible rollover distribution, the Plan Administrator shall, in accordance with Section 402(f) of the Code, provide the distributee or non-Spouse Beneficiary with a written explanation of the rules governing rollovers (including the right to make a direct rollover under subsection (a) or subsection (b)), and the mandatory federal income tax withholding on any eligible rollover distribution for which no election is made under subsection (a) or subsection (b). No later than the date on which the information required by this subsection (c)(i) is provided to a distributee or non-Spouse Beneficiary, the Administrator shall notify the distributee or non-Spouse Beneficiary that he or she is entitled to consider, for a period of at least thirty (30) days following receipt of such information, whether or not to make an election under subsection (a) or subsection (b).

(ii) Notwithstanding subsection (c)(i), a direct rollover or distribution may be made less than thirty (30) days after the distributee or non-Spouse Beneficiary receives the information required by subsection (c)(i), if the distributee or non-Spouse Beneficiary affirmatively elects to receive a distribution or to make a direct rollover under subsection (a) or subsection (b).

Section 14.3 Any portion of an eligible rollover distribution that is not distributed in a direct rollover under Section 14.2(a) or Section 14.2(b) is ordinarily subject to mandatory federal income tax withholding.

Section 14.4 In the event of a mandatory cash-out distribution under the Plan that is greater than \$1,000, if the distributee or non-Spouse Beneficiary does not elect to have such distribution paid directly to an eligible retirement plan specified by the distributee or non-Spouse Beneficiary in a direct rollover or to receive the distribution directly in accordance with Section 14.2(a) or Section 14.2(b), then the Plan Administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the Plan Administrator. The Plan Administrator shall notify the distributee or non-Spouse Beneficiary (either separately or as part of the notice described in Section 14.2(c)) that the distribution may be transferred in a direct rollover to an individual retirement plan designated by the Plan Administrator. The notice: (a) shall identify the trustee or custodian of the individual retirement plan; (b) shall state that the distribution will be placed in an investment fund that is designed to preserve principal and provide a reasonable rate of return and liquidity; (c) shall indicate how the fees and expenses required to maintain the individual retirement plan will be allocated; and (d) shall state the name, address, and telephone number of a person that the distributee or non-Spouse Beneficiary can contact for further information about the automatic rollover provisions, the individual retirement plan provider, and the fees and expenses attendant to the individual retirement plan.

ARTICLE XV

Leave of Absence

Section 15.1 This Section 15.1 shall apply only to a Participant who is absent from his or her position of employment with the Employer by reason of a period of military service and who, upon reemployment with the Employer, is entitled to the benefits of the Uniformed Services Employment and Reemployment Rights Act of 1994 with respect to such service ("qualified military service"). Upon such reemployment with the Employer, the Participant shall be treated as having been on a leave of absence and the following requirements shall apply:

(a) The individual shall not be deemed to have incurred a Severance Period by reason of such qualified military service, and the period of such service shall constitute employment with the Employer as a Full-Time Employee for purposes of determining the individual's Years of Vesting Service and Years of Credited Service, *provided that* the individual contributes to the Plan an amount equal to the Participant Contributions that he or she would have made under Section 4.1 if he or she had remained a Full-Time Employee during the period of the qualified military service. Such amount shall be paid to the Plan during the period of time which begins on the date of his or her reemployment and which does not exceed the lesser of five years or three times the period of his or her qualified military service.

(b) For purposes of subsection (a) and Article XII, an individual shall be treated as having received compensation from the Employer during the period of qualified military service equal to the compensation that would have been paid to the individual by the Employer during such period determined at the rate of pay he or she would have received but for such period of service, or if such rate of pay is not reasonably ascertainable, the individual's average rate of compensation during the twelve month period preceding the qualified military service (or the entire period of employment preceding the military service, if less than twelve months).

(c) Benefit accruals required under subsection (a) shall be added promptly to the Participant's Accrued Benefit. Such benefit accruals shall not be subject to any otherwise applicable limitation under Article XII with respect to the year in which such benefit accruals were added to the Participant's Accrued Benefit. In accordance with Regulations, benefit accruals added to the Participant's Accrued Benefit under subsection (a) shall be subject to such limitations with respect to the year to which the accruals relate.

(d) For the period on or after January 1, 2007, if a Participant dies while performing qualified military service, the survivors of the Participant are entitled to any additional death benefits that would have been payable under the Plan if the Participant had resumed employment and then terminated employment on account of death. As a result, such a Participant's death benefits under the Plan shall be determined by treating the Participant as if he or she were an active employee at the time of his or her death.

(e) Effective as of January 1, 2009, if the Employer provides differential military pay to a Participant who is performing qualified military service, the Participant shall be treated as an employee of the Employer and the differential military pay shall be treated as compensation paid by the Employer for all purposes of the Plan. Differential military pay means any amounts that the Employer pays to a Participant who is performing qualified military service to the extent such amounts do not exceed the excess of the compensation that the Participant would have received if he or she had remained employed by the Employer during the period of his or her qualified military service, over the amount of the Participant's military pay.

Section 15.2 A Participant employed by the Employer who is not performing services for the Employer or is on a reduced work schedule for a reason designated by the Employer as qualifying under the Family and Medical Leave Act of 1993 shall be treated as on an approved leave of absence for the period of such absence or reduced work schedule. During the period of such leave of absence, the Employee shall continue to be considered a Participant employed as a Full-Time Employee for purposes of determining the individual's Years of Vesting Service and Years of Credited Service, *provided that* the individual contributes to the Plan an amount equal to the Participant Contributions that he or she would have made under Section 4.1 if he or she had remained a Full-Time Employee during the approved leave of absence. If an individual ceases to make the contributions required by this Section 15.2, the individual shall cease to be a Participant in the Plan.

Section 15.3 A Participant employed by the Employer who is not performing services for the Employer or is on a reduced work schedule for a reason approved by the Employer, and who is receiving his or her regular Compensation from the Employer, shall continue to be considered a Participant employed as a Full-Time Employee for purposes of determining the individual's Years of Vesting Service and Years of Credited Service, and his or her Participant Contributions to the Plan shall continue to be deducted from his or her Compensation during the period of the paid leave of absence.

Section 15.4 A Participant who is not performing services for the Employer for a reason that does not constitute qualified military service, or that does not qualify under the Family and Medical Leave Act of 1993, or that is not a paid leave of absence approved by the Employer, shall cease to be a Participant in the Plan.

Section 15.5 A leave of absence for military service under Section 15.1 or a family or medical leave of absence under Section 15.2 may not be canceled by the Employer.

ARTICLE XVI

Rights of Participant

Section 16.1 The establishment of the Plan shall not be construed as conferring any rights upon any Employee or any person for a continuation of employment, and shall not be construed as limiting in any way the right of the Employer to discharge any Employee or to treat him or her without regard to the effect which such treatment might have upon him or her as a Participant of the Plan.

Section 16.2 The Plan is established for the purpose of providing for the support of the Participants upon their retirement and for the support of their families. No benefit payable under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge by the Participant, and any action by way of anticipating, alienating, selling, transferring, assigning, pledging, encumbering or charging the same shall be void and of no effect. In no event shall any benefit under the Plan be liable in any manner for, or be subject to, the debts, contracts, liabilities, engagements or torts of the person entitled to such benefit, except as specifically provided in the Plan.

If any Participant or Beneficiary under the Plan becomes bankrupt or attempts to alienate, sell, transfer, assign, pledge, encumber or charge any benefit except as specifically provided in the Plan, then such benefit shall, in the discretion of the Plan Administrator, cease and terminate. In that event, the Plan Administrator shall hold or apply the benefit to or for the benefit of such Participant or Beneficiary, in such manner and in such proportions as the Plan Administrator shall determine in its sole discretion.

Section 16.3 (a) Notwithstanding the provisions of Section 16.2, the Plan Administrator shall abide by the terms of any domestic relations order. A domestic relations order means any judgment, decree or order (including approval of a property settlement agreement) that creates or recognizes the existence of an alternate payee's right to receive all or a portion of the benefits payable to a Participant hereunder pursuant to a state's domestic relations law relating to the provision of child support, alimony payments or marital property rights to a Spouse, former Spouse, child or other dependent of the Participant.

(b) Payments made under this Section 16.3 shall completely discharge the Plan of its obligations with respect to the Participant and each alternate payee to the extent of any such payments.

Section 16.4 If any person entitled to receive any benefits from the Plan is, in the judgment of the Plan Administrator, legally, physically or mentally incapable of personally receiving and acknowledging receipt of any distribution, the Plan Administrator may make distribution to such other person, persons or institutions as, in the judgment of the Plan Administrator, are then maintaining or have custody of such distributee.

ARTICLE XVII

Plan Administrator

Section 17.1 The Plan Administrator shall have the following powers and responsibilities:

(a) The Plan Administrator shall supervise and control the operation of the Plan and shall have all powers necessary to accomplish such purpose, including the power to make rules and regulations pertaining to the administration of the Plan.

(b) The Plan Administrator shall establish a funding method and policy consistent with the objectives of the Plan, and shall determine the Plan's short-term and long-term financial needs and communicate such requirements to the Trustee.

(c) The Plan Administrator shall have the discretionary authority to interpret the provisions of this Plan, to determine all questions relating to eligibility for benefits hereunder, to decide all disputes which may arise relative to the rights of Participants and their Beneficiaries under the terms of the Plan, to give instructions to the Trustee (other than investment instructions) as may be necessary, and, in general, to direct the administration of the Plan.

(d) The Plan Administrator shall determine the identity of the proper payee of any benefit under the Plan and the amount of such benefit that is properly payable. Any such determination that the Plan Administrator makes shall be conclusive, and payment in accordance with such determination shall constitute a complete discharge of all obligations on account of such benefit.

(e) The Plan Administrator shall determine the manner in which the funds of the Plan shall be disbursed in accordance with the terms of the Plan, including the form of voucher or warrant to be used in making disbursements and the qualifications of the persons authorized to make disbursements of such funds.

(f) The Plan Administrator shall maintain accounts showing the fiscal transactions of the Plan. In connection therewith, the Plan Administrator shall require the Trustee to submit any necessary reports, and shall keep in convenient form such data, as may be necessary for the determination of the assets and liabilities of the Plan. As soon as practicable following the last day of each Plan Year, the Plan Administrator shall prepare a brief account of the operation of the Plan for the Plan Year.

(g) Any interpretation, determination, decision, instruction or direction adopted by the Plan Administrator in good faith shall be binding upon the Employer and on all Participants and Beneficiaries (unless the Plan Administrator has acted in an arbitrary and capricious manner). The Plan Administrator, in exercising its discretion, shall do so in a uniform and nondiscriminatory manner, treating all individuals in similar circumstances alike.

Section 17.2 The Board of Selectmen of the Town of Simsbury shall have the power to designate a Plan Administrator. If no Plan Administrator has been designated, the Board of Selectmen of the Town of Simsbury shall serve as the Plan Administrator.

Section 17.3 If more than one person is serving as the Plan Administrator, such persons may by a written agreement allocate among themselves their responsibilities under this Plan. Except as otherwise provided by law, if responsibilities have been allocated among the persons serving as the Plan Administrator, only the person to whom a specific responsibility has been allocated shall be liable for acts or omissions occurring in the performance of such responsibility.

If more than one person is serving as the Plan Administrator, any act which the Plan authorizes or requires the Plan Administrator to do may be done by a majority of such persons. The action of such majority expressed from time to time by a vote at a meeting, or in writing without a meeting, shall constitute the action of the Plan Administrator.

Section 17.4 The Plan Administrator may delegate to others all or part of its duties that do not involve management of Plan assets. The Plan Administrator shall not be liable for any act or omission of the persons to whom such duties have been delegated, *provided that* the Plan Administrator acted prudently and in the interests of the Participants and Beneficiaries in selecting and retaining such persons.

Section 17.5 The Plan Administrator may provide each Participant and Beneficiary with a summary plan description at such time and in such form as it deems advisable.

Section 17.6 The Plan Administrator may furnish individual statements of vested benefits to Terminated Participants and individual statements of vested and accrued benefits to Participants and Beneficiaries at such time and in such form as it deems advisable.

Section 17.7 The Plan Administrator shall have the power to designate the Plan's agent for service of legal process.

Section 17.8 The reasonable expenses of administering the Plan, including but not limited to legal, accounting, custodial, actuarial and investment advisory fees, shall be paid from the Trust Fund, unless the Employer elects to pay such expenses.

Section 17.9 The Plan Administrator shall be entitled to rely upon all certificates and reports made by any duly appointed trustee or accountant, and upon all opinions given by any duly appointed legal counsel. Any person or group of persons serving as the Plan Administrator shall be fully protected against any action taken in good faith in reliance upon any such certificates, reports or opinions. All actions so taken shall be conclusive upon all persons having any interest under the Plan. No person serving as the Plan Administrator shall be personally liable by virtue of any instrument executed by him or her (or on his or her behalf) as a person serving as the Plan Administrator, or for any mistake of judgment made by such person or any other person serving as the Plan Administrator, or for any neglect, omission or wrongdoing of

any other person serving as the Plan Administrator or anyone employed by the Employer, or for any loss, *unless* such liability or loss results from his or her own negligence or willful misconduct. Each person serving as the Plan Administrator shall be indemnified by the Employer against expenses reasonably incurred by him or her in connection with any action to which he or she may be a party by reason of his or her serving as the Plan Administrator, *except* in relation to matters as to which he or she shall be adjudged in such action to be liable for negligence or willful misconduct in the performance of his or her duty in serving as the Plan Administrator. The foregoing right of indemnification shall be in addition to any other rights to which any such member may be entitled as a matter of law.

Section 17.10 No person serving as the Plan Administrator who is also an employee of the Employer shall receive any compensation for his or her services as such, but the Plan may reimburse such person for any necessary expenses incurred.

ARTICLE XVIII

Trust Fund

Section 18.1 All assets of the Plan shall be held in the Trust Fund by the Trustee, except to the extent such assets are held by an Insurer under an insurance contract.

Section 18.2 The Trustee shall have such powers as to investment, reinvestment, control and disbursement of the Trust Fund as are provided in the Plan and the Trust Agreement.

Section 18.3 No Participant or Beneficiary under the Plan, nor any other person, shall have any interest in or right to any part of the earnings of the Trust Fund, or any rights in, to or under the Trust Fund or any part of its assets, except to the extent expressly provided in the Plan.

Section 18.4 The Trust Fund shall bear: (a) all brokerage costs and transfer taxes, or other taxes of any kind whatsoever, which may be levied or assessed under existing or future laws upon, or in respect of, the Trust Fund; (b) all expenses incurred in connection with the acquisition, holding or disposition of real property, any interest therein, or any mortgage thereon; (c) all interest which may be payable for money borrowed by the Trustee for the purposes of the Trust Fund; and (d) all other administrative expenses of the Trust Fund and the Plan which are not paid by the Employer.

ARTICLE XIX

Plan for Exclusive Benefit of Participants

Section 19.1 Prior to the satisfaction of all of the liabilities under the Plan with respect to Participants and their Beneficiaries, no part of the corpus or income of the Trust Fund shall be used for, or diverted to, any purposes other than for the exclusive benefit of the Participants and their Beneficiaries.

Section 19.2 The Employer shall not directly or indirectly receive any refund of any contribution made by it, nor shall the Employer directly or indirectly receive a distribution from the Trust Fund, at any time prior to the satisfaction of all of the liabilities under the Plan with respect to Participants and their Beneficiaries, unless such contribution was made by reason of a mistake of fact and the refund is made within one year from the date the contribution was made.

ARTICLE XX

Miscellaneous Provisions

Section 20.1 The Plan is intended to meet the requirements for qualification under Section 401(a) and Section 501 of the Code which are applicable to governmental plans as defined in Section 414(d) of the Code. Any provision of this Plan or the Trust Agreement susceptible to more than one interpretation shall be interpreted in a manner that is consistent with this Plan and the Trust Agreement being an employees' plan and trust within the meaning of Section 401(a) and Section 501 of the Code and a governmental plan within the meaning of Section 414(d) of the Code.

Section 20.2 The Employer, the Plan Administrator and the Trustee shall be discharged from liability in acting upon any representation by an individual of any fact affecting such individual's status under this Plan or upon any notice, request, consent, letter, telegram or other document believed by them, or any of them, to be genuine and to have been signed or sent by the proper person.

Section 20.3 This Plan shall be construed according to the laws of the State of Connecticut, except as such laws are superseded by Federal law.

ARTICLE XXI

Amendment

Section 21.1 The Board of Selectmen of the Town of Simsbury shall have the right to amend this Plan at any time and from time to time.

Section 21.2 Except to the extent required to qualify this Plan and the trust under Section 401(a) and Section 501 of the Code, no amendment shall be made which would adversely affect the rights of Participants, joint annuitants or other Beneficiaries who have become fully vested at the date of such amendment.

ARTICLE XXII

Termination of Plan

Section 22.1 The Board of Selectmen of the Town of Simsbury may terminate the Plan in its entirety at any time.

Section 22.2 If the Plan is terminated, unapplied payments and other assets of the Plan will be disposed of through the purchase of annuities or otherwise for the exclusive benefit of Participants, joint annuitants and other Beneficiaries, in the order of priority set forth in this Section 22.2. The amount of each Participant's retirement benefit will be determined from the Participant's Accrued Benefit on the date of termination of the Plan. The necessary assets determined by the Employer on the basis of an actuarial valuation will be fully allocated for all Participants in Class 1 and Class 2 described below before any assets are allocated to the next class. If the assets are insufficient to provide the full retirement benefit for each person in a class starting with Class 3 described below, a pro rata allocation will be made for that class and no retirement benefits will be provided for succeeding classes. If any balance remains after these priorities have been satisfied, such balance shall become the property of the Employer.

The order of priority is as follows:

- (a) *Class 1* – to provide full retirement benefits to each Retired Participant;
- (b) *Class 2* – to provide retirement benefits for each Participant other than a Retired Participant based on his or her Accumulated Contributions, with benefits to start immediately for Participants with postponed retirement benefits and at Normal Retirement Date for all other Participants;
- (c) *Class 3* – to provide the balance of the retirement benefits, starting immediately for Participants with postponed retirement benefits and Participants receiving disability retirement benefits;
- (d) *Class 4* – to provide the balance of the retirement benefits, starting at Normal Retirement Date, for Participants and Terminated Participants who have met the age and service requirements of the Plan for election of an early retirement benefit;
- (e) *Class 5* – to provide the balance of the retirement benefits, starting at Normal Retirement Date, for Participants and Terminated Participants not included in Class 4 who have reached the vesting date; and
- (f) *Class 6* – to provide the balance of the retirement benefits, starting at Normal Retirement Date, for all other Participants.

Section 22.3 Upon the termination or partial termination of the Plan, or the complete discontinuance of contributions to the Plan, the rights of each Participant (or, in the event of a partial termination, the rights of each Participant affected by such partial termination), including a Retired Participant, Disabled Participant or Terminated Participant, and the rights of each Beneficiary, to benefits accrued to the date of such termination or partial termination shall become nonforfeitable, to the extent funded as of such date.

Dated the 29th day of September, 2015.

Witness:

TOWN OF SIMSBURY, CONNECTICUT

JoAnn Martin
JoAnn Martin

By [Signature]
Name: Lisa L. Hearnier
Title: First Selectman

Actuarial Assumptions

(a) With respect to a Participant who is a Nonunion Employee, a Police Dispatcher Employee, a Public Works and Parks Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee:

Mortality: 1971 Group Annuity Mortality Table, male (with a set back of 2 years for Participants and 4 years for joint annuitants)

Interest: 6%

(b) With respect to a Participant who is a Police Officer Employee:

Mortality: 1971 Group Annuity Mortality Table, male (with no set back for Participants and a set back of 6 years for joint annuitants)

Interest: 6%

**AMENDMENT NO. 1
TO THE
TOWN OF SIMSBURY RETIREMENT INCOME PLAN**

The Town of Simsbury Retirement Income Plan, as amended and restated effective as of July 1, 2015, is hereby amended as follows:

(1) Effective as of July 1, 2014, Article IV of the Plan is amended by deleting Section 4.1(a)(ii) and substituting the following in lieu thereof:

(ii) *Police Officer Employees*

For Division 000 Police Officer Employees	
For the period prior to July 1, 2014	6.00% of Compensation
For the period on and after July 1, 2014 and prior to July 1, 2016	7.00% of Compensation
For the period on and after July 1, 2016	8.00% of Compensation
For Division 001 Police Officer Employees	3.00% of Compensation

Participant Contributions are not required after a Division 000 Police Officer Employee completes twenty-five (25) Years of Credited Service.

Participant Contributions are not required after a Division 001 Police Officer Employee completes thirty-five (35) Years of Credited Service.

Participant Contributions are not required after the Participant reaches his or her Normal Retirement Date.

(2) All section numbers and cross references thereto are appropriately amended to effectuate the intention of the foregoing amendment.

Dated this 24th day of February, 2016.

Witness:

TOWN OF SIMSBURY, CONNECTICUT

John C. Martin

By James J. Cochran

Title: Director of Administrative Services

**AMENDMENT NO. 2
TO THE
TOWN OF SIMSBURY RETIREMENT INCOME PLAN**

The Town of Simsbury Retirement Income Plan, as amended and restated effective as of July 1, 2015, is hereby amended as follows:

(1) Effective as of October 18, 2016, Article II of the Plan is amended by deleting the definition of "*Normal Retirement Age*" and substituting the following in lieu thereof:

"Normal Retirement Age" means the following:

- (a) With respect to a Division 000 Police Officer Employee, the earlier of: (i) the date on which the Participant has reached age fifty-three (53); or (ii) the date on which the Participant has completed twenty-five (25) Years of Credited Service;
- (b) With respect to a Division 001 Police Officer Employee, the date on which the Participant has reached age fifty-five (55) and completed ten Years of Credited Service;
- (c) With respect to a Police Dispatcher Employee, the earlier of: (i) the date on which the Participant has reached age sixty-five (65) and completed five Years of Credited Service; or (ii) the date on which the Participant has reached age sixty-two (62) and completed twenty-five (25) Years of Credited Service;
- (d) With respect to a Public Works and Parks Employee, the earlier of: (i) the date on which the Participant has reached age sixty-two (62) and completed five Years of Credited Service; or (ii) the date on which the Participant's age plus credited years of service is equal to or greater than eighty-five (85); and
- (e) With respect to a Nonunion Employee, a Professional Supervisor Employee, a Professional Employee, or a Secretarial/Clerical/Library Employee, the date on which the Participant has reached age sixty-five (65) and completed five Years of Credited Service.

(2) Effective as of October 18, 2016, Article II of the Plan is amended by adding the following new sentence to the end of subsection (e) of the definition of “Years of Credited Service”:

Notwithstanding any provisions of the Plan to the contrary, any Public Works and Parks Employee who is first hired on or after October 18, 2016 shall not be eligible to participate in the Plan.

(3) Effective as of October 18, 2016, Article III of the Plan is amended by adding the following new sentence at the end of Section 3.1(a)(iv):

Notwithstanding any provisions of the Plan to the contrary, any Public Works and Parks Employee who is first hired on or after October 18, 2016 shall not be eligible to participate in the Plan.

(4) Effective as of October 18, 2016, Article III of the Plan is further amended by adding the following new sentence at the end of Section 3.3(d):

Notwithstanding any provisions of the Plan to the contrary, any Public Works and Parks Employee who is first hired on or after October 18, 2016 shall not be eligible to participate in the Plan.

(5) Effective as of October 18, 2016, Article IV of the Plan is amended by deleting Section 4.1(a)(iv) and substituting the following in lieu thereof:

(iv) *Public Works and Parks Employees*

For Public Works and Parks Employees hired or rehired prior to September 4, 2013:	
For the period prior to September 1, 2013	2.00% of Compensation
For the period on and after September 1, 2013 and prior to September 1, 2014	2.50% of Compensation
For the period on and after September 1, 2014 and prior to September 1, 2015	3.00% of Compensation
For the period on and after September 1, 2015 and prior to June 30, 2016	3.50% of Compensation
For the period on and after June 30, 2016 and prior to July 1, 2017	4.00% of Compensation
For the period on and after July 1, 2017 and prior to July 1, 2018	4.50% of Compensation
For the period on and after July 1, 2018	5.00% of Compensation

For Public Works and Parks Employees hired or rehired on or after September 4, 2013 who do not participate in the Employer’s defined contribution plan: 7.00% of Compensation

Participant Contributions are not required after a Public Works and Parks Employee completes thirty (30) Years of Credited Service.

Participant Contributions are not required after a Public Works and Parks Employee reaches his or her Normal Retirement Date.

(6) All section numbers and cross references thereto are appropriately amended to effectuate the intention of the foregoing amendment.

Dated this 25th day of October, 2016.

Witness:

TOWN OF SIMSBURY, CONNECTICUT

John Martin

By Thomas F. Cooke II
Title: Director of Administrative Services

**AMENDMENT NO. 3
TO THE
TOWN OF SIMSBURY RETIREMENT INCOME PLAN**

The Town of Simsbury Retirement Income Plan, as amended and restated effective as of July 1, 2015, is hereby amended as follows:

(1) Effective as of January 3, 2017, Article II of the Plan is amended by adding the following new sentence to the end of subsection (e) of the definition of "Years of Credited Service":

Notwithstanding any provisions of the Plan to the contrary, any Police Dispatcher Employee who is first hired on or after January 3, 2017 shall not be eligible to participate in the Plan.

(2) Effective as of January 3, 2017, Article III of the Plan is amended by adding the following new sentence at the end of Section 3.1(a)(iii):

Notwithstanding any provisions of the Plan to the contrary, any Police Dispatcher Employee who is first hired on or after January 3, 2017 shall not be eligible to participate in the Plan.

(3) Effective as of January 3, 2017, Article III of the Plan is further amended by adding the following new sentence at the end of Section 3.3(c):

Notwithstanding any provisions of the Plan to the contrary, any Police Dispatcher Employee who is first hired on or after January 3, 2017 shall not be eligible to participate in the Plan.

(4) All section numbers and cross references thereto are appropriately amended to effectuate the intention of the foregoing amendment.

Dated this 16th day of February, 2017.

Witness:

TOWN OF SIMSBURY, CONNECTICUT

John C. Martini

By Thomas F. Cooke
Thomas F. Cooke

Title: Director of Administrative Services

