

***City of Meriden***

***Municipal Employees Pension Plan***

***Includes***

***Police Employees (hired on or after March 18, 2003)***

***&***

***Fire Employees (hired on or after March 18, 2003)***

***As Amended and Restated Effective July 1, 2016***

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>MERIDEN CODE.....</b>	<b>iv</b>
<b>AN ORDINANCE CONCERNING PENSIONS FOR EMPLOYEES OF THE CITY OF MERIDEN .....</b>	<b>v</b>
<b>§35-1 – DEFINITIONS.....</b>	<b>1</b>
A. Code .....	1
B. City.....	1
C. Employees.....	1
D. Pay.....	2
E. Member .....	3
F. Pension.....	3
G. Regular Interest.....	3
H. Retirement Board .....	3
I. Retirement Fund.....	3
J. Retirement System .....	3
K. Spouse .....	4
<b>§35-2 – ESTABLISHMENT OF SYSTEM .....</b>	<b>4</b>
A. Retirement Board .....	4
B. Retirement Board Powers and Duties .....	4
<b>§35-3 – ELIGIBILITY AND PARTICIPATION .....</b>	<b>5</b>
A. Eligibility .....	5
B. Participation .....	5
<b>§35-4 – LIABILITY OF THE CITY .....</b>	<b>6</b>
<b>§35-5 – EMPLOYEE CONTRIBUTIONS .....</b>	<b>6</b>
A. Amount of Employees’ Contribution.....	6
B. Time of Transfer of Employee’s Contribution .....	8
C. Repayment of Employee Contributions upon Reinstatement into the Plan.....	8
D. Employer Pick-up Contributions .....	8
E. Retiree Health Insurance Fund.....	9
F. Termination Prior to Completion of Ten Years of Service.....	9
G. Termination after Completion of Ten (Twenty-Five) Years of Service .....	10
<b>§35-6 – SERVICE CREDITING .....</b>	<b>10</b>
A. Continuous Service .....	10
B. Years of Service .....	11
C. Vesting .....	12
<b>§35-7 – BENEFITS .....</b>	<b>12</b>
A. Eligibility for Normal Retirement Benefits .....	12

**TABLE OF CONTENTS**  
**(continued)**

	<b>PAGE</b>
B. Amount of Normal Retirement Benefit .....	13
C. Eligibility for Early Retirement Benefit .....	14
D. Amount of Early Retirement Benefit .....	14
E. Eligibility for Deferred Vested Benefit .....	15
F. Amount of Deferred Vested Benefit .....	15
G. Eligibility for Disability Benefit – City Employees .....	16
J. Eligibility for Disability Benefit – Firefighters .....	16
H. Amount of Disability Benefit – City Employees .....	16
I. Eligibility for Disability Benefit – Police Officers .....	18
J. Eligibility for Disability Benefit – Firefighters .....	20
K. Amount of Disability Benefit – Firefighters .....	20
L. Proof of Total and Permanent Disability .....	21
M. Cost of Living Adjustment (COLA) .....	21
N. Maximum Limitation .....	22
O. Exception for Certain Police or Fire Department Members .....	23
<b>§35-8 – PAYMENT OF BENEFITS.....</b>	<b>23</b>
A. Normal Form of Retirement Benefit .....	23
B. Optional Form of Retirement Benefit .....	24
C. Beneficiary Designation.....	24
<b>§35-9 – DEATH BENEFITS .....</b>	<b>25</b>
A. Pre-Retirement Death Benefit – City Employees .....	25
B. Post-Retirement Death Benefit .....	25
C. Police Officer Spousal Death Benefit .....	25
D. Firefighter Spousal Death Benefit .....	26
E. Death Benefit .....	26
F. Death While Performing Military Service .....	26
G. Return of Employee Contributions .....	26
<b>§35-10 – EFFECT OF PAYMENTS UNDER WORKERS’ COMPENSATION ACT .....</b>	<b>27</b>
<b>§35-11 – APPLICATION FOR BENEFIT AND BENEFIT PAYMENTS .....</b>	<b>27</b>
A. Applications .....	27
B. Pension Payments .....	27
<b>§35-12 – TIME LIMITATION ON ACTIONS.....</b>	<b>28</b>
<b>§35-13 – PAYMENTS EXEMPT FROM TAXATION.....</b>	<b>28</b>
<b>§35-14 – ANNUAL REPORT .....</b>	<b>28</b>
<b>§35-15 – EFFECTIVE DATE .....</b>	<b>28</b>
<b>§35-16 – INTERPRETATION.....</b>	<b>29</b>
<b>§35-17 – AMENDMENTS TO AND DISCONTINUANCE OF PLAN .....</b>	<b>29</b>

**TABLE OF CONTENTS**  
**(continued)**

	<b>PAGE</b>
A. Amendment Right.....	29
B. Termination Right.....	29
C. Allocation of Assets Upon Termination .....	29
<b>§35-18 – EXCLUSIVE BENEFIT .....</b>	<b>30</b>
<b>§35-19 – LIMITATION ON BENEFITS .....</b>	<b>31</b>
<b>§35-20 – ELIGIBLE ROLLOVER DISTRIBUTIONS.....</b>	<b>31</b>
<b>§35-21 – FORFEITURES.....</b>	<b>32</b>
<b>§35-22 – MINIMUM DISTRIBUTION REQUIREMENTS .....</b>	<b>32</b>
A. General Rules.....	32
B. Time and Manner of Distribution .....	33
C. Determination of Amount to be Distributed Each Year .....	34
D. Requirements for Annuity Distributions That Commence During Member’s Lifetime .....	35
E. Requirements For Minimum Distributions Where Member Dies Before Date Distributions Begin.....	36
F. Definitions.....	36

## MERIDEN CODE

### *General References*

Administrative of government – See Ch. 3

Municipal Pension Board – See Ch. 6, Art. XX

Personnel classification and compensation system – See Ch. 38

### *Statutory References*

Establishment of system – See C.G.S. § 7-450 et seq.

Actuarial evaluation – See C.G.S. § 7-450a

**AN ORDINANCE CONCERNING PENSIONS FOR EMPLOYEES OF THE CITY OF  
MERIDEN**

*July 1972*

This Ordinance was amended effective March 18, 2003 and May 1, 2003, respectively, to include as participants in the pension plan all new police officers and firefighters who are newly hired after the applicable effective dates or those such employees who have elected to irrevocably participate in this Plan.

The adoption of this Ordinance shall not appeal, amend or replace, or affect the continuance of the pension or retirement system established under Special Act No. 532 of the 1957 Legislative Session, as amended, and said Special Act and amendments shall remain in full force and effect until repealed or amended by the Connecticut General Assembly or as provided by Chapter 99 of the General Statutes.

The Plan was further amended and restated as of July 1, 2012, except where otherwise indicated or legislatively required. The restatement was to incorporate changes applicable to police officers.

The Plan is amended and restated as of July 1, 2016, except where otherwise indicated or legislatively required. The restatement is to incorporate changes applicable to firefighters.

## §35-1 – DEFINITIONS

For purposes of this chapter, the following terms shall have the definitions set forth below unless otherwise provided under the terms of this Plan.

### **A. Code**

Code means the Internal Revenue Code of 1986, as such has been and as such may be amended from time to time, and any regulations promulgated thereunder and interpretations thereof as such may affect this Ordinance.

### **B. City**

The City of Meriden

### **C. Employees**

(1) Employee shall mean:

- (i) All regular employees of the City of Meriden, including elected or appointed officials. For purposes of benefits under the Plan, a deputy police chief and police chief and deputy fire chief and fire chief hired on and after March 18, 2003 shall be considered Management City Employees under the Plan;
- (ii) All Employees of the Board of Education (hereafter referred to as “City Employees” whenever that term is used);
- (iii) All newly hired police officers, including deputy police chiefs and police chiefs not already in the Police Plan hired on or after March 18, 2003, and any active police officer on such date who irrevocably elects in writing by December 1, 2003 to participate in this Plan; and
- (iv) All newly hired firefighters, including the deputy fire chiefs and fire chiefs not already in the Fire Plan hired on or after March 18, 2003, and any active firefighter on such date who irrevocably elects in writing by December 1, 2003 to participate in this Plan.

(2) Notwithstanding the foregoing, the terms shall not apply to Members of the State Teachers’ Retirement Association.

(3) Regular employees for purposes of this Section, means an individual whose principal employment is to the City of Meriden and whose employment requires continuous service to the City of Meriden for at least:

- (i) Thirty (30) hours per week for at least nine (9) months of a year; provided, however, that with respect to those health aides listed in

Appendix A effective July 1, 2007, twenty-five (25) hours shall be substituted for thirty (30) hours; or

- (ii) Twenty (20) hours per week for twelve (12) months of a year.
- (4) Notwithstanding the foregoing, except as provided below, no Employee, other than police officers or firefighters who are covered by a collective bargaining agreement, shall be eligible to become a Member in the Plan on or after July 1, 2011.
- (5) Any employee of the Board of Education who is covered by a collective bargaining agreement and was employed in a non-pension eligible position prior to January 1, 2011, will be an Employee if the employee transfers to a pension qualifying position on or prior to June 30, 2020.

**D. Pay**

- (1) The salary or wages of an Employee for services with the City, including all grants and allowances for maintenance as such figures as may be determined by the Plan, but determined without regard to general temporary increase or reduction thereof. Pay also shall include salary reduction deferrals within the meaning of Code Sections 402(6), 125 and 457.

Pursuant to (and if included in) the appropriate collective bargaining agreement or such other employment agreement, Pay shall also include overtime, sick days, holiday and premium holiday pay, longevity pay and clothing allowance and annual sick day pay-out provided such items continue to be included in the collective bargaining agreement.

Pay shall not include education incentive/bonuses, private duty pay and if applicable, cost of health insurance or tuition reimbursement.

- (2) Notwithstanding any other provisions of law effective July 1, 1996, the amount of Pay used to determine the retirement benefit of an Employee who becomes a Member on or after July 1, 1996 for purposes of this chapter shall be limited to a maximum of \$150,000 in a calendar year, or such other amount as prescribed by the Secretary of the Treasury pursuant to Code Section 401(a)(17). For Plan Years beginning after December 31, 1997, for purposes of applying the limitations under Code Section 415, Pay also shall include salary reduction deferrals within the meaning of Code Sections 402(g), 125 and 457. For Plan Years beginning on or after January 1, 2001, for purposes of applying the limitations under Code Section 415, Compensation paid or made available during such Plan Year shall include elective amounts that are not included in the income of the employee by reason of Code Section 132(f)(4).

- (a) **Increase in Limit.** The annual Pay of each Member taken into account in determining benefit accruals in any Plan Year beginning after December 31, 2001 shall not exceed \$200,000. For this purpose, annual Pay means Pay during

the Plan Year or such other consecutive 12-month period over which Pay is determined under the Plan (the “determination period”). For purposes of determining benefit accruals in a Plan Year beginning after December 31, 2001, Pay for any prior determination period shall be limited as provided in Subsection (c) below.

- (b) **Cost-of-Living Adjustment.** The \$200,000 limit on annual Pay in Subsection (a) above shall be adjusted for cost-of-living increases in accordance with Code Section 401(a)(17)(B). The cost-of-living adjustment in effect for a calendar year applies to annual Pay for the determination period that begins with or within such calendar year.
- (c) **Compensation Limit for Prior Determination Periods.** In determining benefit accruals in Plan Years beginning after December 31, 2001, the annual Pay limit in Subsection (a) above for determination periods beginning before January 1, 2002, shall be \$200,000.

***E. Member***

An Employee or former Employee who has met the participation requirements of §35-3, and participates in the Retirement System.

***F. Pension***

A payment made to an Employee according to the provisions of this chapter other than a return of contributions.

***G. Regular Interest***

Interest at the rate determined from time to time by the Retirement Board.

***H. Retirement Board***

The Board as described in §35-2 that was created for the administration of the Retirement System.

***I. Retirement Fund***

The Retirement Fund of the City of Meriden derived from contributions made as herein provided, for the payment of Pensions to Employees as retired under this chapter.

***J. Retirement System***

The plan for retirement of Employees as established by this chapter.

**K. *Spouse***

The legal spouse of a Member as defined under the laws of the State of Connecticut.

**§35-2 – ESTABLISHMENT OF SYSTEM**

**A. *Retirement Board***

There shall be a Retirement System for the City of Meriden the management of which shall be vested in the Retirement Board. The Board shall consist of eleven (11) members. One (1) member shall be a regular City employee participating in the Plan, popularly elected by the employees who participate in the Plan and subject to the approval of the City Council. One (1) member shall be an employee from the Police Department. One (1) member shall be a Board of Education employee participating in the Plan, appointed or elected by the Board of Education employees covered by a collective bargaining agreement who participate in the Plan. Each employee representative shall serve for a term of one (1) year (three (3) years with respect to the City employee representative) on a voluntary basis for which the representative shall not be compensated and such participation shall be on his own time. The Director of Finance and the Personnel Director shall also serve as members of the Board. Of the remaining six (6) members, two are members of the Council and the other four (4) are electors of the City of Meriden. All six (6) are recommended by the Mayor and approved by the Council. Those six (6) members shall serve for a two-year term at the pleasure of the City Council. All members shall continue to serve on the Retirement Board for their applicable terms and until their successors are duly appointed or selected and have qualified. A member who is appointed or selected to replace a member whose term has not expired shall be appointed or selected for the unexpired term only.

Such representation shall include one representative from the Fire Department once the number of fire participants in the City Plan reaches fifty.

**B. *Retirement Board Powers and Duties***

- (1) Said Retirement Board shall be trustee of the Retirement Fund and shall have full control and management of all its securities and assets with power to invest and reinvest the same in accordance with the provisions of the General Statutes governing the investment of trust funds; or the Retirement Board may provide by trust agency, custodian or other agreement with a corporate fiduciary or any insurance company for the custody, safekeeping, handling, investment and reinvestment of the fund's assets.
- (2) The Retirement Board shall receive, control, manage and expend all of said fund, according to the provisions of this chapter, including any moneys contributed by Employees, with the same powers of investment and reinvestment as herein provided.
- (3) Said Retirement Board shall determine the eligibility of an Employee and his rights and the rights of the City under this chapter; shall make by-laws and regulations not inconsistent with the law or applicable collective bargaining agreement for

administration of this chapter; and shall do all things necessary and proper toward carrying out the purposes for which the Retirement System is created. It shall hire and dismiss any Employees of the Retirement Board necessary for the proper administration of this chapter and fix their compensation. The City shall engage expert actuarial, auditing and medical service when in the judgment of the Retirement Board, it is advisable, for the Retirement Board to carry out its duties.

### **§35-3 – ELIGIBILITY AND PARTICIPATION**

#### **A. *Eligibility***

Except as otherwise provided in the Plan, all Employees who are in the service of the City on the effective date of this act are eligible to come under the terms and provisions thereof. Thereafter, such employee who meets the definition of Employee in §35-1(B) shall participate in the Plan so long as such Employee, other than police officers or firefighters covered by a collective bargaining agreement, were hired on or prior to June 30, 2011. Any former Employee of the City, other than police officers or firefighters, who is rehired on or after July 1, 2011, shall not be eligible to resume participation in the Plan; provided, however that any Employee of the Board of Education who was a member of the Board of Education collective bargaining unit on July 1, 2011 as described in §35-1(B)(5) shall be eligible to elect to participate in the Plan within 30 (thirty) days after transferring into a pension qualifying position.

#### **B. *Participation***

- (1) Each Employee who is in the service of the City on June 30, 2011, shall be required to participate in the Retirement System.
- (2) Each Employee not over fifty-five (55) years of age who enters the service of the City at any time prior to July 1, 2011, shall at the beginning of his or her employment, be required to participate in the Retirement System, and such participation shall be a condition of his continued employment.
- (3) For those Employees over fifty-five (55) years of age entering the service of the City at any time prior to July 1, 2011, participation in the Retirement System shall not be a condition of the continued employment. However, such Employee may elect upon the beginning of his or her employment to participate in the Retirement System.
  - (i) If the Employee fails to elect to participate at that time, he or she shall not thereafter be admitted to the Retirement System.
- (4) Each Employee who is not currently participating in the Retirement System in accordance with the aforementioned or previous conditions, shall be given the opportunity on or after July 31, 1989, to buy back up to fifty percent (50%) of their eligible past service for which they had not previously received credit or for which they had received a refund of contributions or ten (10) years, whichever is greater; provided, however, that except for employees of the Board of Education, police

officers or firefighters, an Employee may only buy back time within five (5) years after becoming eligible to participate in the Plan and any payments with respect to a buy back must be completed within two (2) years of the request to buy back such time. The cost of such buy back shall be equal to: (i) the Employee's salary at the time of the buy back times (ii) the Employee's current contribution rate under the Plan times (iii) the number of years to be purchased plus (iv) Regular Interest measured from the date the buy back request was made to the date the buy back payments are made.

- (5) The Board shall have the authority to establish:
  - (i) A reasonable period of time during which such buyback payments may be made;
  - (ii) A schedule of payments based on the amount involved; and
  - (iii) A pay schedule for the Employee, as it may deem appropriate.
- (6) In no event may a Member retire less than one (1) year after electing to buy back such time except with respect to retirements occurring prior to February 1, 2013. The provisions of this paragraph shall not apply to employees of the Board of Education, police officers or firefighters.
- (7) Each newly hired police officer or firefighter in the employ of the City on or after March 18, 2003, shall participate in the Retirement System and make mandatory contributions as a condition of continued employment.
- (8) All Pensions payable to former Employees who have been retired shall be assumed by the Retirement System and paid thereafter from its funds.

#### **§35-4 – LIABILITY OF THE CITY**

- A.** The City shall be liable to the Retirement Board for such an amount on account of future Pensions representing service of Employees covered by this chapter, rendered prior to the inception of the Retirement System as shall be determined by the Board on sound actuarial principles.
- B.** The City shall also pay annually to the Plan such amounts as are determined by the City on sound actuarial principles to be necessary, in addition to contributions of the Employees to provide future pensions on account of service rendered by eligible Employees.

#### **§35-5 – EMPLOYEE CONTRIBUTIONS**

##### ***A. Amount of Employees' Contribution***

- (1) Effective July 1, 2011, each Member, except police officers and firefighters and Members employed by the Board of Education, shall contribute to the Retirement System an amount equal to a uniform rate of seven percent (7%) of Pay, less the

amount described in A(7) below, which in lieu of being contributed to this Fund shall be contributed to the Retiree Health Insurance Fund administered by the City. Effective July 1, 2012, the Member's, other than police officers and firefighters, rate of contribution to the Retirement System shall be increased to a uniform rate of nine percent (9%) of Pay, and shall be increased by an additional one percent (1%) each year thereafter through the 2014 Plan Year (for a total contribution amount of eleven percent (11%)).

- (2) Each Member who is a police officer hired prior to July 1, 2012 or firefighter shall contribute to the Retirement System an amount equal to a uniform rate of six percent (6%) of Pay, less the amount described in A(7) below, which in lieu of being contributed to this Fund shall be contributed to the Retiree Health Insurance Fund administered by the City. Effective July 1, 2013, each such police officer shall contribute to the Retirement System an amount equal to a uniform rate of seven percent (7%) of Pay. Effective July 1, 2014, each such police officer shall contribute to the Retirement System an amount equal to a uniform rate of eight and one-half percent (8.5%) of Pay. Effective July 1, 2015, each such police officer shall contribute to the Retirement System an amount equal to a uniform rate of ten percent (10%) of Pay. Notwithstanding the foregoing, if a Member hired prior to July 1, 2012, covered by the Plan in a position other than as a police officer, transfers employment to become a police officer, such Member shall be governed by the provisions of this paragraph (2) and shall be treated as a police officer hired prior to July 1, 2012.
- (3) Except as provided in (2) above, each Member who is a police officer hired on or after July 1, 2012 shall contribute to the Retirement System an amount equal to a uniform rate of seven percent (7%) of base pay. No such contributions shall be contributed to the Retiree Health Insurance Fund.
- (4) Effective July 1, 2016, each Member who is firefighter hired prior to July 1, 2016 shall contribute to the Retirement System an amount equal to a uniform rate of six and a half percent (6.5%) of Pay. Effective January 1, 2017, each such firefighter shall contribute to the Retirement System an amount equal to a uniform rate of seven percent (7%) of Pay. Effective July 1, 2017, each such firefighter shall contribute to the Retirement System an amount equal to a uniform rate of seven and one-half percent (7.5%) of Pay. Effective July 1, 2018, each such firefighter shall contribute to the Retirement System an amount equal to a uniform rate of eight percent (8%) of Pay. Effective July 1, 2019, each such firefighter shall contribute to the Retirement System an amount equal to a uniform rate of eight and a half percent (8.5%) of Pay. Each year a portion of such contribution, if any, as determined pursuant to A(7) below, in lieu of being contributed to this Fund shall be contributed to the Retiree Health Insurance Fund administered by the City. Notwithstanding the foregoing, if a Member hired prior to July 1, 2016, covered by the Plan in a position other than as a firefighter, transfers employment to become a firefighter, such Member shall be governed by the provisions of this paragraph (4) and shall be treated as a firefighter hired prior to July 1, 2016.

- (5) Except as provided in (4) above, each Member who is a firefighter hired on or after July 1, 2016 shall contribute to the Retirement System an amount equal to a uniform rate of seven percent (7%) of base pay. No such contributions shall be contributed to the Retiree Health Insurance Fund.
- (6) Effective June 30, 2011, each Member who is employed by the Board of Education shall contribute to the Retirement System an amount equal to a uniform rate of seven percent (7%) of Pay, less three percent (3%) contributed to the Retiree Health Insurance Fund. Effective June 30, 2012, each Member who is employed by the Board of Education shall contribute to the Retirement System an amount equal to a uniform rate of seven and one-half percent (7.5%) of Pay, less three and one-half percent (3.5%) contributed to the Retiree Health Insurance Fund. Effective June 30, 2013, each Member who is employed by the Board of Education shall contribute to the Retirement System an amount equal to a uniform rate of eight percent (8%) of Pay, less four percent (4%) contributed to the Retiree Health Insurance Fund.
- (7) The percentage used to calculate an Employee's contribution to fund the Retiree Health Insurance Fund shall be determined by the City in its sole discretion each Plan Year.

***B. Time of Transfer of Employee's Contribution***

Employee contributions shall be collectible from the Member as a deduction from Pay and transmitted immediately to the Retirement Board and the Retiree Health Insurance Fund.

***C. Repayment of Employee Contributions upon Reinstatement into the Plan***

Prior to June 30, 2011, if a former Member who terminated employment with the City and received a distribution of his Employee contributions, returned to employment any Accrued Benefit which previously had been forfeited or cancelled shall be restored to his credit if the Member returns to the Plan the amount of such distribution previously received plus Regular Interest within five (5) years of reemployment. Regular Interest shall be determined from the date of receipt of the payment to the date of repayment at the rate set by the Retirement Board compounded annually. Repayment must be made to the Plan within 30 days of the date of approval of repayment by the City and may be made in the form of an eligible rollover distribution.

***D. Employer Pick-up Contributions***

Pursuant to Code Section 414(h)(2), the City shall pick-up and pay the contributions that otherwise would be payable by each Employee. The contributions so "picked-up" shall be treated as Employer contributions for purposes of determining the amounts of federal income taxes to withhold from each Employee's Pay.

Employee contributions picked-up by the City shall be paid from the same source of funds used for the payment of salaries to Employees. A deduction shall be made from each Employee's Pay equal to the amount of the Employee Contributions picked-up by the City,

provided that such deduction shall not reduce the Employee's Pay for purposes of computing benefits under this Plan.

Employee contributions picked-up by the City shall be credited to a separate account for each Employee, so that Employee Contributions made by the Member may be distinguished from the Employee Contributions picked-up by the City.

***E. Retiree Health Insurance Fund***

A percentage of each Employee's contributions in accordance with Sections A. and B. of this Section, or as modified by the Collective Bargaining Agreement or such other Agreement with the City, shall be made to fund the Retiree Health Insurance Fund to pay for retiree health insurance coverage in accordance with the attached health insurance appendix or such other agreement then in effect when the Member retired. Such Fund is a separate bookkeeping account maintained to comply with Code Section 401(h) to which are credited Employee contributions and Employer contributions for medical benefits and earnings on the foregoing and which is charged with medical premiums and other payments including administrative expenses.

- (a) Medical benefits provided through the Retiree Health Insurance Fund shall be determined in accordance with collective bargaining applicable to a respective member as agreed to between the Union and the City from time to time or, with respect to Employees not subject to a collective bargaining agreement, as set forth in such policy as provided by the City as may be amended from time to time.
- (b) The aggregate contributions to provide medical benefits under the Retiree Health Insurance Fund shall not exceed twenty-five percent (25%) of the actual contributions to fund retirement benefits under the Plan.
- (c) Prior to the satisfaction of all liabilities under the Plan to pay medical benefits, no amount credited to the Retiree Health Insurance Fund may be used for or diverted to any purpose other than the providing of such benefits (including the necessary plan administration expenses associated with the Retiree Health Insurance Fund). The provisions of Sections C., D., and F. shall not be applied to return a Member's contributions from the Retiree Health Insurance Fund.

***F. Termination Prior to Completion of Ten Years of Service***

Upon termination of employment with the City prior to completion of ten (10) years of service, the Retirement Board shall pay the Member an amount equal to his or her Employee Contributions under this Section, plus Regular Interest thereon compounded annually in a lump sum payment.

Effective for distributions to a terminated Employee in accordance with this Section F. made on and after March 28, 2005, if the amount of a Member's contributions exceeds \$1,000, then the Member shall be required to complete an application for benefits with the City, requesting a distribution of his Member contributions and directing the City of his/her intent to either rollover such amounts in accordance with §35-20, or receive a lump sum payment. In the event the Member fails to apply for a return of his Member contributions, such contributions shall be retained by the Plan and paid to the Member or his or her beneficiary in accordance with the provisions of §35-22.

**G. *Termination after Completion of Ten (Twenty-Five) Years of Service***

Upon termination of employment with the City after completion of ten (10) years of service (25 years of service or attainment of age 65 and completion of 10 years of service in the case of a (i) firefighter or (ii) a police officer hired on or after July 1, 2012), the Member may elect to receive either:

- (1) An amount equal to his or her Employee Contributions under this Section, plus Regular Interest thereon compounded annually in a lump sum payment; or
- (2) A normal retirement benefit or an early retirement benefit as provided under §35-7, based on the Member's years of service.

**§35-6 – SERVICE CREDITING**

**A. *Continuous Service***

- (1) The term "Continuous Service" shall mean uninterrupted employment of an Employee with the City which shall not result in a break-in-service resulting in a Member's termination of participation in the Plan. Continuous Service with the City shall not be broken in the event of an approved absence with the consent of the City during any period. Such service may not necessarily count as Years of Service for benefit accrual, vesting and eligibility for pensions, except as set forth in Section B. below.

In interpreting this Section, the Retirement Board and the City will apply uniform rules in a like manner to all Employees under similar circumstances.

- (2) Buy-Back of Prior Service with Another Municipality, State or Non-Profit Entity. Notwithstanding any provisions of §35-3(B)(5) to the contrary, effective April 1, 2002, management employees defined as the Director of Parks, Director of Public Works, City Attorney, Finance Director, MIS Director, Director of Meriden Public Library, Director of Emergency Communications, Director of Public Utilities, Director of Planning, Personnel Director, City Manager, Director of Health and Human Services, Director of Economic Development, Grants Administrator and any other department head position approved and filled by the City Council may purchase up to five (5) years of prior service (for which they are not currently collecting a pension) from a municipality, state or non-profit entity which must

immediately precede employment with the City of Meriden. The purchase of prior service will not count for vesting purposes.

Notwithstanding the foregoing, the purchase of additional years of credited service for time spent in past service by a Member as described above shall be counted as full-time service and included in computing years of service to determine such Member's eligibility for retirement and amount of benefits but not for purposes of vesting.

The cost to purchase such prior service will be equal to the current Plan contribution rate applicable to such Employee plus accrued Regular Interest from the date of such earnings through the present to a maximum of five prior years of service. Months must be purchased in six-month increments. The Director of Personnel shall have the right to be provided with sufficient evidence by the employee including W-2 forms and tax returns before such prior service credit will be granted. An Employee after receiving approval by the Director of Personnel may make a lump sum payment using either a direct rollover or on a post-tax basis within 30-days or may make equal installment payments on a post-tax basis over a one-year period or can be made on a pre-tax basis through payroll deduction. However, Regular Interest shall continue to accrue during such period until the final installment is made.

***B. Years of Service***

In computing years of service to determine eligibility for retirement, vesting and amount of benefit, no year of service or fractional part thereof shall be included in which the Employee has not been in actual service and has not made the required Employee Contributions to the Plan, except as otherwise expressly provided herein.

- (1) Completed months of service shall be considered as fractional parts of a year. A month shall be considered completed if an Employee is employed (except if on an unpaid leave of absence) for more than half the month defined as 15 or more calendar days during a calendar month.
- (2) Time spent as a Member of any of the various boards or in any capacity rendering incidental service to the City shall not be included.
- (3) Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service with respect to qualified military service shall be provided in accordance with Code Section 414(u).
- (4) A Member who has been eligible for benefits but has made no contributions to any other Retirement System of the City, shall not receive credit hereunder for the period of service represented by employment during the time such other system was in effect, unless he or she pays to the Retirement Board an amount equal to the contributions required by such other Retirement System, subject to such rules and regulations as the Board shall prescribe.

- (5) With respect to Members whose regular work schedule is less than 12 months (e.g. follows the school year schedule), such Members shall receive 12 months of service credit if such Member is employed on the first day and the last day of such regular work schedule.

**C. *Vesting***

- (1) A City Employee or police officer hired prior to July 1, 2012 shall become vested upon completion of 10 (ten) Years of Service.
- (2) A (i) firefighter or (ii) a police officer hired on or after July 1, 2012, covered under a collective bargaining agreement shall become vested upon completion of 25 (twenty-five) years of service.
- (3) A (i) firefighter or (ii) a police officer hired on or after July 1, 2012, covered under a collective bargaining agreement shall become vested upon attainment of age sixty-five (65) and completion of 10 (ten) years of service.

**§35-7 – BENEFITS**

**A. *Eligibility for Normal Retirement Benefits***

Upon proper application, a Member shall be eligible for a normal retirement subject to the terms of this chapter as follows:

- (1) **City Employees.** A Member who is a City Employee shall be eligible for a Normal Retirement Benefit upon meeting the earliest of the following:
  - (i) Completion of ten (10) years of service as an Employee of the City during which time he made the required contributions and attained the age of sixty-five (65) years; or
  - (ii) Attained any combination of years of service and age equaling 80 (Rule of 80) with a minimum of ten (10) years of service as an Employee of the City.
- (2) **Police Officers.** A Member who is a police officer shall be eligible for a Normal Retirement Benefit upon meeting the earliest of the following:
  - (i) Completion of twenty-five (25) years of service; or
  - (ii) Attained the age of sixty-five (65) years and completed ten (10) years of service. A police officer who attains age 65 shall be retired automatically with a pension by the City, effective the first day of the month following his sixty-fifth birthday.
- (3) **Firefighters.** A Member who is a firefighter shall be eligible for a Normal Retirement Benefit when meeting the earliest of the following:

- (i) Completed twenty-five (25) years of service; or
- (ii) Attained the age of sixty-five (65) years and completed ten (10) years of service. A firefighter who attains age 65 shall be retired automatically by the City with a pension beginning the first day of the month following his sixty-fifth birthday.

**B. *Amount of Normal Retirement Benefit***

The Retirement Board shall pay on a monthly basis to each Member who has been retired under this chapter, a normal retirement benefit that is equal to one-twelfth (1/12) of the amount computed according to the following schedule. For purposes of this Section, Average Annual Pay includes Pay as defined in §35-1(C) and shall be determined based on the three (3) highest consecutive calendar years determined from January 1<sup>st</sup> to December 31<sup>st</sup> out of the last ten years immediately prior to a Member's retirement, except as provided in (2) below.

- (1) Effective January 1, 1984, for Members who are in active employment with the City and who retire on or after January 1, 1984, the annual amount of the normal retirement benefit shall equal one-and-one-half percent (1½%) of the average annual Pay of the highest three (3) consecutive calendar years in the last ten (10) years prior to retirement multiplied by years of continuous service in the Plan.

This one and-one-half percent rate shall be effective until January 1, 1985, at which time the amount shall increase to one-and-sixty-hundredths percent (1.60%) of said computation. This one-and-sixty-hundredth percent rate shall be effective until July 1, 1986, at which time it shall increase and shall thereafter remain at one-and-seventy-five hundredths percent (1.75%) of said computation. All those Members retiring after January 1, 1984 but before July 1, 1989, shall be entitled to each of the above rate percentage increases as they become effective.

- (2) Effective July 1, 1991 for those employee retiring on or after July 1, 1989, the annual amount of the normal retirement benefit shall be equal to two percent (2%) of the highest three (3) consecutive calendar years of Average Annual Pay (excluding education incentive/bonuses, private duty pay, and, if applicable, the cost of health insurance or tuition reimbursement) of the Member prior to retirement multiplied by years of continuous service in the Plan. The maximum benefit for any such Member is sixty percent (60%) of Average Annual Pay except that for police officers hired on or after July 1, 2012 and firefighters hired on or after July 1, 2016, the maximum benefit is fifty percent (50%) of Pay, but excluding all items except base pay.
- (3) Effective July 1, 2011, for Members, other than police officers or firefighters covered by a collective bargaining agreement or Board of Education employees, who are in active employment with the City and who retire on or after July 1, 2011, the annual amount of the normal retirement benefit shall be equal to (i) two percent (2%) for the first twenty (20) years and two and one-half percent (2.5%) for all

years thereafter of the highest three (3) consecutive calendar years of Average Annual Pay of the Member prior to retirement multiplied by (ii) years of continuous service in the Plan. The maximum benefit for any Member is seventy percent (70%) of Average Annual Pay.

- (4) Effective July 1, 2012, for police officers hired prior to July 1, 2012, who are in active employment with the City and who retire on or after July 1, 2012, the annual amount of the normal retirement benefit shall be equal to (i) two percent (2%) for the first twenty (20) years and two and one-half percent (2.5%) for all years thereafter of the highest three (3) consecutive calendar years of Average Annual Pay of the Member prior to retirement multiplied by (ii) years of continuous service in the Plan. The maximum benefit for any such Member is seventy percent (70%) of Average Annual Pay.
- (5) Except for police officers, firefighters and employees of the Board of Education, with respect to any Members retiring on or after January 1, 2011, who have more than fifty percent (50%) of their years of continuous service in a part-time capacity (less than 35 hours per week), the highest of the last ten (10) consecutive calendar years of Average Annual Pay shall be used in lieu of the highest three (3) consecutive calendar years.
- (6) To be eligible to receive the percentage increase in the annual amount of normal retirement benefit, a Member must have been actively employed by the City on the effective date of the increase.

**C. *Eligibility for Early Retirement Benefit***

Upon proper application, a Member other than a firefighter or a police officer hired on or after July 1, 2012 covered under a collective bargaining agreement, shall be eligible for an early retirement benefit subject to the terms of this chapter, if the Member completed ten (10) years of service as an Employee of the City or a police officer and attained age fifty-five (55).

**D. *Amount of Early Retirement Benefit***

- (1) The annual amount of the early retirement benefit shall equal the annual amount of the normal retirement benefit as determined in Section B. above, based on the Member's continuous service to date of retirement, actuarially reduced to reflect such earlier retirement.
  - (i) The amount of actuarial reduction for City Employees shall equal 6.67% per year for each year a Member retires early between ages 65 and 60 plus 3.33% for each year a Member retires prior to age 60.
  - (ii) The amount of actuarial reduction for an early retirement benefit for police officers shall be equal to five-twelfths (5/12%) of one percent per month or five percent (5%) per year calculated from the

Member's early retirement date to the earlier of the date he would have attained age 65 or completed 25 years of service had he continued working.

***E. Eligibility for Deferred Vested Benefit***

- (1) Subject to the provisions of this chapter and upon proper application, a Member, other than a firefighter or a police officer hired on or after July 1, 2012, who is not entitled to a Normal Retirement Benefit shall be eligible for a Deferred Vested Benefit if the Member completed at least ten (10) years of service as an Employee of the City or as a police officer (if hired prior to July 1, 2012) and he or she did not withdraw his or her own contributions plus Regular Interest upon termination of employment pursuant to §35-5(D).
- (2) If a Member is not entitled to a Deferred Vested Benefit, the amount of termination benefit for a Member who has not completed at least 10 years of service (25 years of service or attainment of age 65 and completion of 10 years of service, in the case of (i) firefighters or (ii) police officers hired on or after July 1, 2012) shall be a lump sum payment in an amount equal to his Employee Contributions plus Regular Interest thereon, payable within 90 days of his termination of employment. With respect to a Member who does not indicate to the City the address where any such payment is to be made within 60 days after termination of employment, such payment will be made as soon as practicable after the City receives such information and Regular Interest shall accrue until the monies are paid.

***F. Amount of Deferred Vested Benefit***

- (1) If a Member elects to commence distribution at age sixty-five (65), he or she shall be entitled to a normal retirement benefit as determined in Section B. above, calculated based on the benefit accrual rate in effect on his date of termination and his or her years of service as of such termination date.
- (2) If a Member elects to commence distribution at age fifty-five (55), he or she shall be entitled to an early retirement benefit as determined in Section D. above, calculated based on the benefit accrual rate in effect on his or her date of termination and his or her years of service as of such date.
- (3) If a Member elects to commence distribution after the Member has attained any combination of years of service and age equaling 80 (Rule of 80) with a minimum of ten (10) years of service as an Employee of the City, he or she shall be entitled to a normal retirement benefit as determined in Section B. above, calculated based on the benefit accrual rate in effect on his date of termination and his or her years of service as of such termination date.

**G. *Eligibility for Disability Benefit – City Employees***

Subject to the provisions of this chapter and upon proper application, an active Member other than a police officer or firefighter shall be eligible to retire on a disability benefit if the Member:

- (1) Becomes totally and permanently disabled during the course of performing essential duties pertaining to his or her employment with the City;
- (2) Completed at least ten (10) years of continuous service as an Employee and becomes totally and permanently disabled whether or not such disability resulted from injuries arising out of and in the course of his employment with said City; or
- (3) The term “totally and permanently disabled” as used in this chapter, shall mean a Member is physically or mentally unable as a result of bodily injury or disease, to engage in any substantial gainful employment or occupation, as such employment shall be determined by the Retirement Board in its discretion, and such disability was not the result of the Member’s own willful misconduct.

**H. *Eligibility for Disability Benefit – Firefighters Hired Prior to July 1, 2016***

Subject to the provisions of this chapter and upon proper application, an active Member who is a firefighter shall be eligible to retire on a disability benefit if the Member:

- (1) Becomes totally and permanently disabled during the course of performing essential duties pertaining to his or her employment with the City;
- (2) Completed at least ten (10) years of continuous service as an Employee and becomes totally and permanently disabled whether or not such disability resulted from injuries arising out of and in the course of his employment with said City; or
- (3) The term “totally and permanently disabled” shall be defined as a medical determination that the firefighter is no longer fit to perform his or her duties and is precluded from engaging in those duties for the foreseeable future defined as a minimum of two (2) years.

**I. *Amount of Disability Benefit – City Employees and Firefighters Hired Prior to July 1, 2016***

Retirement Board shall pay to each Member who has been retired for disability according to the provisions of this chapter, a Pension during the continuance of such disability as follows:

- (1) Service Related

Effective July 1, 1991, the annual amount of a Service Related Disability Benefit shall be equal to the greater of either (i) or (ii) below:

- (i) The amount of retirement benefit to which the Member would be currently entitled had he terminated employment the day before his disability based upon the benefit formula then in effect and the number of years of service earned to his date of disability; or
- (ii) One-half (50%) of the annual rate of regular Pay received by the Member at the time of the total and permanent disability.

(2) Non-Service Related – After Completion of Ten (10) Years of Service

A disability benefit is payable for a total and permanent disability arising from whatever cause as provided in Section G.(2) above, shall equal one and one-half percent (1½%) of the annual Pay of the highest three (3) consecutive calendar years in the last ten (10) years prior to retirement multiplied by years of Continuous Service in the plan; provided that no pension payable to an employee on account of total and permanent disability sustained during the performance of essential duties pertaining to employment by the City, as provided herein, shall be less than one-half (50%) the annual rate of regular pay received by the employee at the time of disability.

- (i) The above rate established for disability benefit for injuries incurred after ten (10) years of service shall be effective January 1, 1985, at which time it shall increase to one-and-sixty-hundredths percent (1.60%) of said computation. This one-and-sixty-hundredths percent rate shall be effective until January 1, 1986, at which time it shall increase to and thereafter remain at one-and-seventy-five-hundredths percent (1.75%) of said computation. All Members retired for disability after January 1, 1984 shall be entitled to each of the above rate percentage increases as they become effective. Effective July 1, 1991 and only for those employee retiring on or after July 1, 1989 the rate shall be two percent (2%).
- (ii) Effective July 1, 1991, and only for those Members retiring after July 1, 1989, the annual amount of the disability pension shall be equal to two percent (2%) of the average annual pay of the highest three (3) consecutive years in the last ten (10) years prior to retirement multiplied by years of continuous service in the plan. Effective July 1, 2011, for Members, other than police officers or firefighters covered by a collective bargaining agreement or Board of Education employees, who are in active employment with the City and who retire on or after July 1, 2011, the annual amount of the disability retirement benefit shall be equal to (i) two percent (2%) for the first twenty (20) years and two and one-half percent (2.5%) for all years thereafter of the highest three (3) consecutive calendar years of Average Annual Pay of the Member prior to retirement multiplied by (ii) years of continuous service in the Plan. The maximum benefit for a Member is seventy percent (70%) of

Average Annual Pay. With respect to any Members retiring on or after January 1, 2011, who have more than fifty percent (50%) of their years of continuous service in a part-time capacity (less than 35 hours per week), the highest of the last ten (10) consecutive calendar years of Average Annual Pay shall be used in lieu of the highest three (3) consecutive calendar years.

- (iii) The Retirement Board shall pay to each Member who has been retired on account of total and permanent disability sustained during the performance of essential duties pertaining to employment by the City prior to the completion of ten (10) years of service, an amount determined in the same manner as for a Member completing ten (10) or more years of service provided that no pension payable to a Member, as provided herein, shall be less than one-half (50%) the annual rate of regular pay received by the Member at the time of disability.

(3) Discontinuance of Disability Benefit:

The Retirement Board may, from time to time, call for medical evidence that the Employee continues to be totally disabled. If the Retirement Board concludes upon medical evidence that the disability for which the Employee is receiving a Pension no longer exists or if the Board in its discretion determines that such Employee is engaged in gainful employment, the Retirement Board shall thereupon order a discontinuance of the Pension payable to such Employee.

***J. Eligibility for Disability Benefit – Police Officers***

Subject to the provisions of this chapter and upon proper application, a Member who is a police officer shall be eligible to retire on a disability benefit as follows:

- (1) **Disability Pension – Service Related Injury hired prior to July 1, 2012.** A police officer hired prior to July 1, 2012, who has less than twenty-five (25) years of service and who suffers a job related injury in the course of his employment with the City shall be entitled to the following Service Related Disability Pensions:
  - (i) **Totally Disabled From Employment as a Police Officer.** A police officer who has less than 25 years of service and who can no longer perform his duties as a police officer but is not disabled from other gainful employment, shall receive a Service Related Injury Disability Pension equal to fifty percent (50%) of the annual base salary he was receiving at the time of the injury. The Cost of Living Adjustment described in §35-7(M) shall apply as if the Officer had twenty-five (25) years of service.
  - (ii) **Totally Disabled from any Gainful Employment.** A police officer who has less than 25 years of service and who becomes totally disabled from performing any gainful employment as defined by the

social security administration, shall receive a Service Related Injury Disability Pension as though he had earned twenty-five (25) years of service and using Pay to calculate his benefit as though the officer was at the top step of his rank (if applicable) at the time of disability.

- (2) **Disability Pension – Service Related Injury hired on or after July 1, 2012.** A police officer hired on or after July 1, 2012 who suffers a job related injury in the course of his employment with the City shall be entitled to the following Service Related Disability Pensions:
  - (i) **Totally Disabled From Employment as a Police Officer.** A police officer who has ten (10) or more years of service and who can no longer perform his duties as a police officer but is not social security disabled, shall receive a Service Related Injury Disability Pension equal to two percent (2%) times years of service up to a maximum of forty percent (40%) of the annual base salary he was receiving at the time of the injury. The Cost of Living Adjustment described in §35-7(M) shall not apply.
  - (ii) **Totally Disabled Under Social Security.** A police officer who has less than ten (10) years of service and who becomes social security disabled as defined by the social security administration, shall receive a Service Related Injury Disability Pension as though he had earned twenty-five (25) years of service. The Cost of Living Adjustment described in §35-7(M) shall not apply.
- (3) **Disability Pension – Non-Service Related Injury.** A police officer who suffers an injury not in the course of his employment with the City who can no longer perform his duties as a police officer shall be entitled to the following:
  - (i) If the police officer has less than 10 years of service he shall not be eligible for a pension; and
  - (ii) If the police officer who was hired prior to July 1, 2012, has more than ten years of service but less than 25 years of service, he shall receive retirement benefits as though he had earned no less than twenty (20) years of service. The Cost of Living Adjustment described in §35-7(M) shall also apply as if he had 25 years of service.
  - (iii) If the police officer who was hired on or after July 1, 2012, has more than ten years of service but less than 25 years of service, he shall receive retirement benefits equal to two percent (2%) times years of service. The Cost of Living Adjustment described in §35-7(M) shall not apply.
- (4) Disabled in the case of a police officer shall be defined as a medical determination that the police officer is no longer fit to perform his or her duties and is precluded

from engaging in those duties for the foreseeable future defined as a minimum of two (2) years. Medical documentation from at least two physicians stating that the Member is disabled to the satisfaction of the Retirement Board shall be required.

***K. Eligibility for Disability Benefit – Firefighters Hired on or After July 1, 2016***

Subject to the provisions of this chapter and upon proper application, an active Member who is a firefighter shall be eligible to retire on a disability benefit if the Member:

- (1) Becomes totally and permanently disabled during the course of performing essential duties pertaining to his or her employment with the City;
- (2) Completed at least ten (10) years of continuous service as an Employee and becomes totally and permanently disabled whether or not such disability resulted from injuries arising out of and in the course of his employment with said City; or
- (3) The term “totally and permanently disabled” shall be defined as a medical determination that the firefighter is no longer fit to perform his or her duties and is precluded from engaging in those duties for the foreseeable future defined as a minimum of two (2) years.

***L. Amount of Disability Benefit – Firefighters hired on or after July 1, 2016***

Subject to the provisions of this chapter and upon proper application, a Member who is a firefighter shall be eligible to retire on a disability benefit as follows:

- (1) **Disability Pension – Service Related Injury hired on or after July 1, 2016.** A firefighter hired on or after July 1, 2016 who can no longer perform his duties as a firefighter due to a job related injury in the course of his employment with the City shall be entitled to a Service Related Injury Disability Pension equal to two percent (2%) times years of service, but no less than fifty percent (50%) times base rate at retirement. The Cost of Living Adjustment described in §35-7(M) shall not apply.
- (2) **Disability Pension – Non-Service Related Injury.** A firefighter hired on or after July 1, 2016 who suffers an injury not in the course of his employment with the City who can no longer perform his duties as a firefighter shall be entitled to the following:
  - (i) If the firefighter has ten (10) or more years of service and can no longer perform his duties as a firefighter, shall receive a retirement benefit equal to two percent (2%) times years of service up to a maximum of fifty percent (50%) times base rate at retirement. The Cost of Living Adjustment described in §35-7(M) shall not apply.
  - (ii) If the firefighter receives a retirement benefit as indicated in subparagraph (i) above and is still able to work other than as a firefighter, and the benefit received under this Plan plus income from other employment equals more than 110% or his or her base

pay, the amount received as income will be an offset to the benefit set forth in (i) above. Retirees must provide W-2 forms yearly by March 1 to Personnel.

- (3) Disabled, for purposes of this paragraph, shall be defined as a medical determination that the firefighter is no longer fit to perform his or her duties and is precluded from engaging in those duties for the foreseeable future defined as a minimum of two (2) years.

**M. *Proof of Total and Permanent Disability***

- (1) The Retirement Board shall make a determination of total disability in a uniform and nondiscriminatory manner. A Member shall be deemed to be Totally and Permanently Disabled within the meaning of this chapter only if the Retirement Board makes a finding of such disability based on medical evidence that the Member is totally and permanently disabled.
- (2) Members applying for a disability benefit shall be required to submit to an examination by at least two (2) impartial medical examiners.

**N. *Cost of Living Adjustment (COLA)***

- (1) Effective July 1, 2011, for those Employees other than police officers, firefighters and Board of Education employees retiring on or after July 1, 2011, such retiring Member shall have a cost-of-living adjustment (COLA) equal to two percent (2%) each year beginning on the second anniversary of such Member's retirement date.
- (2) Effective July 1, 2000, for those Employees (excluding Police and Fire Employees after March, 2003) retiring after July 1, 2000, such retiring Member shall have a cost-of-living adjustment (COLA) equal to two percent (2%) each year beginning the later of two (2) years after retirement or age 62.
- (3) For police officers and firefighters retiring with 25 years of service on or after March 1, 2003, the COLA shall apply effective one year after the Member's retirement date.
- (4) Police officers hired on or after July 1, 2012 shall not be eligible for a COLA.
- (5) Firefighters hired on or after July 1, 2016 shall not be eligible for a COLA.
- (6) Effective July 1, 1993, and only for those Members retiring after July 1, 1989, such retiring Members shall receive a COLA at retirement. The cost-of-living adjustment shall be equal to three percent (3%) of the amount payable to the Member immediately before the increase went into effect accrued every other year, deferred to begin the later of three (3) years from the date of retirement or age 65.

A Member's COLA shall be subject to a lifetime cap of not more than 50% of the original Pension amount.

**O. *Maximum Limitation.***

- (1) Regardless of any other provision of this Plan, pursuant to Code Section 415(b), the annual benefit payable hereunder (expressed as a straight life annuity with no ancillary benefits, as provided in regulations pursuant to Code Section 415(b)(2)(B)), except as otherwise provided below, shall not exceed \$195,000 (for 2011), as adjusted in subsequent years pursuant to Code Section 415(d) to reflect cost-of-living increases. For purposes of applying Code Section 415(b), the limitation year shall be the calendar year as it relates to this Retirement System.
- (2) For the purpose of this Section, “Annual Benefit” means the amount of retirement benefit payable in the form of a single life annuity with no ancillary benefits. If the Annual Benefit is payable in any form other than a single life annuity with no ancillary benefits, then for the purposes of applying the basic limitations set forth above, the Annual Benefit shall be adjusted to a value equivalent to the single life annuity to the extent required by Code Section 415. The value of the equivalent single life annuity shall be determined as set forth in Treas. Reg. §1.415(b)-1(c) provided, however, that no adjustment shall be required by reason of benefits not directly related to retirement or by reason of payment of that portion of any joint and survivor annuity which constitutes a qualified joint and survivor annuity within the meaning of Code Section 417. For purposes of determining the value of the actuarial equivalent single life annuity under Treas. Reg. §1.415(b)-1(c), the Annual Benefit is the greater of:
  - (i) the annual amount of the single life annuity (if any) payable to the Member under the Retirement System, commencing at the same annuity commencement date as the form of benefit payable to the Member; and
  - (ii) the annual amount of the single life annuity commencing at the same annuity commencement date that has the same actuarial present value as the form of benefit payable to the Member, computed using a five percent (5%) interest rate assumption and the applicable mortality table under Code Section 417(e) for the annuity commencement date.
- (3) In the case of a benefit beginning after the Member attains age sixty-five (65), the limitation in paragraph (1) shall be actuarially increased so that it is equivalent (on the basis of an interest rate of five percent (5%) and the applicable mortality table that under Code Section 417(e)(3) for that annuity commencement date) to the annual benefit beginning at the Member’s attainment of age sixty-five (65).
- (4) In the case of a benefit beginning prior to the Member’s attainment of age sixty-two (62), the limitation in paragraph (1) shall be actuarially reduced so that it is equivalent (on the basis of an interest rate of five percent (5%) and the applicable mortality table that is effective under Code Section 417(e)(3) for that annuity

commencement date) to the annual benefit beginning at the Member's attainment of age sixty-two (62).

- (5) The limitation in paragraphs (1) and (4) above shall not be applied to reduce the benefit of any Member below \$10,000.
- (6) The limitation in paragraph (4) above shall not be applied to reduce the death benefit payable under §35-9 of the Retirement System.
- (7) The limitation in paragraph (1) above shall be reduced, in the case of any Member who has had less than ten (10) years of participation in the Retirement System, by multiplying the limitation by a fraction whose numerator is the number of years (or part thereof) of participation in the Retirement System and the denominator of which is ten (10).
- (8) Increases in the dollar limit under Code Section 415(b) in subsequent years pursuant to Code Section 415(d) to reflect cost-of-living increases shall apply with respect to a Member if the increase is effective after the Member's annuity commencement date.
- (9) Notwithstanding the foregoing, the annual Pension benefit payable under this §35-7 shall not at any time exceed sixty percent (60%) of the Average Annual Pay (as such term is previously defined) with respect to police officers, firefighters and employees of the Board of Education and seventy percent (70%) of the Average Annual Pay (as such term is previously defined) for all other Members, if the Member is retiring on or after July 1, 2011. The limitations set forth above shall only apply to the initial annual Pension benefit and shall not limit the amount of any subsequent COLA increases.

***P. Exception for Certain Police or Fire Department Members.***

The limitation in §35-7(N) shall not be applied to reduce the benefit of a Member who is a uniformed member of the City's police or fire department who has at least fifteen (15) years of service as a full-time employee of the police or fire department providing police protection or firefighting services.

**§35-8 – PAYMENT OF BENEFITS**

***A. Normal Form of Retirement Benefit***

Normal form of retirement benefit is a single life benefit payable for the lifetime of the Member only. Optional forms of payment under §35-8(B) below, may be elected by the Member in lieu of the normal form.

All payments made to a Member or a beneficiary must be made in accordance with the provisions of §35-22 – Minimum Distribution Requirements.

**B. *Optional Form of Retirement Benefit***

- (1) **Ten (10) Years Certain and Continuous Option** provides a Member with an actuarially reduced Pension during his or her lifetime dependent upon his or her age with the provision that if the Member dies before receiving payments for ten (10) years, the payments will be continued to a recognized beneficiary at the same reduced amount for the remainder of the ten (10) year period.
- (2) **100% Joint and Survivor Option** provides a Member with an actuarially reduced Pension during his or her lifetime. The amount of the actuarial reduction will depend on the Member's age and the age of his or her designated joint annuitant. Upon the Member's death, provided that it occurs before his or her designated joint annuitant's death, the joint annuitant shall be entitled to a lifetime monthly pension equal to 100% of the monthly pension paid to the Member during his or her lifetime. The Member may name as his designated joint annuitant, his or her Spouse, dependent parent, brother, sister or friend.
- (3) **66 2/3% Joint and Survivor Option** provides a Member with an actuarially reduced Pension during his or her lifetime. The amount of the actuarial reduction will depend on the Member's age and the age of his or her designated joint annuitant. Upon the Member's death, provided that it occurs before his or her designated joint annuitant's death, the joint annuitant shall be entitled to a lifetime monthly pension equal to 66 2/3% of the monthly pension paid to the Member during his or her lifetime. The Member may name as his designated joint annuitant, his or her Spouse, dependent parent, brother, sister or friend.
- (4) **50% Joint and Survivor Option** provides a Member with an actuarially reduced Pension during his or her lifetime. The amount of the actuarial reduction will depend on the Member's age and the age of his or her designated joint annuitant. Upon the Member's death, provided that it occurs before his or her designated joint annuitant's death, the joint annuitant shall be entitled to a lifetime monthly pension equal to 50% of the monthly pension paid to the Member during his or her lifetime. The Member may name as his designated joint annuitant, his or her Spouse, dependent parent, brother, sister or friend.

**C. *Beneficiary Designation***

A Member who elects an optional form of payment shall on a form provided for that purpose, designate a person to receive any benefits that are payable upon the death of the Member. The Member shall also have the right to designate one or more contingent beneficiaries for this purpose.

- (1) If a married Member elects a form of payment other than a Joint and Survivor Option, or designates a beneficiary other than the Spouse, the Spouse's written consent must acknowledge the effect of the election and, effective July 1, 2012, must be witnessed by a Notary Public. If a Spouse fails to sign the consent, the Member's pension will automatically be paid in the form of a 50% Joint and

Survivor Option with the Spouse designated as the beneficiary. This form of payment shall be irrevocable. In the event the Spouse is legally incompetent, consent may be given by his or her legal guardian including the Member if authorized to act as the Spouse's legal guardian.

- (2) If a Member claims he cannot locate or obtain consent of his or her Spouse due to extenuating circumstances as provided in IRS regulations or that he or she has been abandoned by the Spouse as confirmed by a court order, the City may in its discretion pay the Member's benefit in a form other than a 50% Joint and Survivor Option, with proper certification from the Member.

### **§35-9 – DEATH BENEFITS**

#### ***A. Pre-Retirement Death Benefit – City Employees***

- (1) Prior to Becoming Eligible for a Retirement Benefit

In the event a Member dies prior to the earliest date on which he or she could retire under the retirement provision, the Retirement Board shall pay to the Member's legal representatives or a designated beneficiary an amount equal to his or her contributions under §35-5, plus Regular Interest compounded annually.

- (2) After Becoming Eligible for a Retirement Benefit

In the event a Member is eligible for a normal or early retirement benefit but has chosen to remain in active employment and dies during this period, his or her Spouse may elect to receive:

- (i) An amount equal to the Employee's contributions under §35-5, plus Regular Interest thereon compounded annually in a lump sum payment; or
- (ii) A benefit equal to fifty percent (50%) of the benefit the Member would have received had he retired the day before his death and elected the 50% Joint and Survivor Option under §35-8(B)(4).

#### ***B. Post-Retirement Death Benefit***

If a Member has elected the single life option and dies after his or her retirement, the Retirement Board shall pay to the Member's designated beneficiary or if there is none, the legal representative, an amount of any excess of his or her accumulated contributions plus interest at his or her date of retirement over Pension benefits made to him or her.

#### ***C. Police Officer Spousal Death Benefit***

When a police officer dies before he completes 25 years of service and whose death is caused by injury, illness or infirmity suffered in the performance of his/her duties, the police officer's Spouse shall receive a Spousal Death Benefit pension amount equal to the

amount the deceased Officer would have received had he completed twenty-five years of service. Upon attainment of the date the deceased Officer would have attained 25 years of service, the Spouse shall thereafter receive one-half of the pension amount. The Spousal Death Benefit shall be payable until the Spouse's death or remarriage.

***D. Firefighter Spousal Death Benefit***

When a firefighter dies before he completes 25 years of service and whose death is caused by injury, illness or infirmity suffered in the performance of his/her duties, the firefighter's Spouse shall receive a Spousal Death Benefit pension amount equal to the amount the deceased firefighter would have received had he/she completed twenty-five years of service. Upon attainment of the date the deceased Officer would have attained 25 years of service, the Spouse shall thereafter receive one-half of the pension amount. The Spousal Death Benefit shall be payable until the Spouse's death or remarriage.

***E. Death Benefit***

Effective for retirements on or after July 1, 1981, a \$1,000 death benefit shall be payable to the named beneficiary of a Retired Member who dies after attaining age 65 who has met the Rule of 80.

Effective July 1, 2012, except for police officers, firefighters and Board of Education employees, the death benefit will be increased to \$2,000, and shall incrementally increase by an additional \$1,000 each year thereafter through the 2015 Plan Year (for a total death benefit of \$5,000). This benefit is in addition to any other benefits payable under the Plan.

***F. Death While Performing Military Service***

If a married Member dies while performing qualified military service (as defined in Code Section 414(u)) and was eligible to receive a death benefit pursuant to §35-9, such Member shall be treated as if the Member had resumed employment with the City on the day preceding such death and then terminated employment due to his death.

***G. Return of Employee Contributions***

Upon the death of a Member, there shall be a return of his Employee Contributions with Regular Interest as follows:

- (1) **City Employees.** Upon the death of a City Employee who was not eligible to retire on the day prior to his death, there shall be paid to his named beneficiary a lump sum payment equal to the amount of his Employee Contributions plus Regular Interest.
- (2) **Police Officers.** Upon the death of a police officer who was not eligible to retire on the day prior to his death, there shall be paid to his named beneficiary a lump sum payment equal to the amount of his Employee Contributions plus Regular Interest on his pre-tax contributions only.

- (3) **Firefighters.** Upon the death of a firefighter who was not eligible to retire on the day prior to his death, there shall be paid to his named beneficiary a lump sum payment equal to the amount of his Employee Contributions plus Regular Interest on his pre-tax contributions only.
- (4) In the event of the death of a Member after retirement, the return of Employee contributions plus Regular Interest as determined by the Board from time to time if any, shall be based upon the amount of any excess of his accumulated contributions at his date of retirement over the amount of pension benefits paid to him and/or his beneficiary, if applicable. In no event shall a beneficiary receive a return of contributions and be named as a beneficiary under an optional form of payment. In the event such beneficiary dies before all accumulated contributions have been paid, then the remainder shall be paid to the Employee's estate.

### **§35-10 – EFFECT OF PAYMENTS UNDER WORKERS' COMPENSATION ACT**

All moneys received by any Member as an award payable under the Workmen's Compensation Act shall be deducted from any concurrent payments provided under this chapter.

### **§35-11 – APPLICATION FOR BENEFIT AND BENEFIT PAYMENTS**

#### ***A. Applications***

A retirement benefit must be applied for in writing to the Retirement Board on a form and in a manner prescribed by the Retirement Board. Such application shall be duly attested and it shall set forth the date that the Member desires to be retired, but such retirement date shall be subsequent to the date of filing thereof, and not less than sixty (60) days subsequent to the date of filing.

#### ***B. Pension Payments***

- (1) All Pension payments shall represent completed months of retirement and shall become due and payable to the persons entitled thereto on the first day of each calendar month, provided that the initial Pension payment to a retired Member shall be computed as the pro rata amount of his regular monthly Pension corresponding to the fraction of the month elapsed since the effective date of his retirement.
- (2) Any Member not retiring when he is first eligible shall continue to be a Member, shall continue to make contributions and shall accrue additional benefits subject to the maximum Pension determined in accordance with §35-7(N) hereof.
- (3) Notwithstanding the foregoing, benefit payments under this Plan must begin by the later of April 1 of the calendar year following the year in which the Member reaches age 70½ or the calendar year in which the Member terminates employment with the City.
- (4) The Member's entire interest in the Plan must be distributed over the life of the participant or the lives of the Member and a designated beneficiary over a period

not extending beyond the life expectancy of the Member or the life expectancy of the Member and designated beneficiary.

- (5) When a Member dies after distribution of benefits has begun, the remaining portion of the Member's interest shall be distributed at least as rapidly as under the method of distribution prior to the Member's death.
- (6) When a Member dies before distribution of benefits has begun, the entire interest of the Member shall be distributed within five years of the Member's death. The five year payment rule does not apply to any portion of the Member's interest which is payable to:
  - (a) A designated beneficiary over the life or life expectancy of the beneficiary and which begins within one year after the date of the Member's death; or
  - (b) A surviving Spouse payable over the life or life expectancy of the Spouse which begins no later than the date the Member would have reached age 70½.

#### **§35-12 – TIME LIMITATION ON ACTIONS**

No action for amounts due under the provisions of this chapter shall be brought except within three (3) years after the right of action accrues. Persons legally incapable of bringing an action when the right accrues may sue at any time within the three (3) years after becoming legally capable of instituting suit. All amounts not included within said period shall remain absolutely a part of the Retirement Fund.

#### **§35-13 – PAYMENTS EXEMPT FROM TAXATION**

The right of any person to a Pension or to the return of contributions, any benefit or right accruing to any person under the provisions of this chapter, and the cash and securities held under this chapter, shall be exempt from any state or municipal tax and exempt from levy and sale, garnishment, attachment or any other process and shall be unassignable, except where otherwise required by Federal or state law.

#### **§35-14 – ANNUAL REPORT**

The Retirement Board shall, on or before April 1 of each year, file with the City Council an annual report showing the financial condition of the Retirement System as of the end of the last completed fiscal year, including an actuarial valuation of assets and data as may be of value to the Members of the Retirement Board and the City.

#### **§35-15 – EFFECTIVE DATE**

This chapter shall take effect July 1, 1972. Benefits paid under this Plan shall be effective as to all Members who have retired from the City during and after the calendar year of 1972 and who were Members of the Pension in effect at the time of their retirement.

## **§35-16 – INTERPRETATION**

Wherever any words are used herein in the masculine gender they shall be construed as though they were also used in the feminine or neuter gender in all cases where they would so apply, and wherever any words are used herein in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply, and vice versa.

## **§35-17 – AMENDMENTS TO AND DISCONTINUANCE OF PLAN**

### **A. *Amendment Right***

The provisions of this Plan may be amended at any time and from time to time by the City Council provided, however, that no amendment shall cause or permit prior to the satisfaction of all liabilities of the Plan, any part of the fund to revert to or become the property of the City or to be diverted to purposes other than for the exclusive benefit of Members, retired Members, terminated Members with a vested interest, co-participants, beneficiaries of deceased. Members and beneficiaries of deceased retired Members hereunder, nor shall any amendment affect adversely in any way any vested rights theretofore acquired by such Members, co-participants or beneficiaries, except as may otherwise be necessary to meet the requirements of the Internal Revenue Service or other government authority.

### **B. *Termination Right***

- (1) Although the City hopes to continue the Retirement System and the contributions to the Board indefinitely, the City may by action of the City Council, terminate the Retirement System at any time.
- (2) If this Retirement System is terminated, the accrued benefit of each Member in the Retirement System shall immediately become 100% vested and non-forfeitable to the extent that such benefit is funded in accordance with the requirements imposed by the Internal Revenue Code. In the event of a partial termination, the requirements of this provision shall be applied to the terminated portion of the Plan.

### **C. *Allocation of Assets Upon Termination***

- (1) In the event of termination of the Retirement System, the Board shall first allocate an amount of the Retirement Fund to each Member, retired Member, terminated Member with a vested interest, co-participant, beneficiary of a deceased Member or beneficiary of a deceased retired Member equal to the amount of the contributions accumulated at Regular Interest, standing to the credit of each Member as of the Retirement System's termination date, each terminated Member with a vested interest as of his termination date, each retired Member as of his retirement date, the beneficiary of a deceased Member as of the date of such Member's decrease and the beneficiary or co-participant of a deceased retired Member as of such Member's retirement date, less all amounts received from the

Retirement Fund by such Member, terminated Member, retired Member, deceased retired Member, beneficiary and/or co-participant. Such amounts so allocated shall be paid to the respective Members, retired Members, terminated Members with a vested interest, co-participant or beneficiaries unless a written election is made by such a person to have the amount to which he is so entitled held in the Retirement Fund and added to the amount if any, which shall be set aside for his benefit under the terms of the following sentence. The remaining net assets in the Retirement Fund after deduction of all termination expenses shall then be allocated by the Board in an equitable manner among the Members, retired Members, terminated Members with vested interest, coparticipant and beneficiaries in the following order of precedence to provide for accrued benefits, which shall be one hundred percent (100%) vested as of the date of discontinuance, and such allocation shall be final:

(2) Order of Precedence

<i><b>Order of Precedence</b></i>	<i><b>Classification at Date of Termination</b></i>
<b>Class I</b>	(i) Retired Members; (ii) coparticipants; (iii) beneficiaries of deceased Members or retired Members; (iv) Members eligible for normal retirement under § 35-7
<b>Class II</b>	(i) Members eligible for early retirement under § 35-7; (ii) terminated Members with a vested interest
<b>Class III</b>	All other Members

(3) Disposition

Disposition of assets after allocation shall be accomplished through either continuance of the Retirement Fund or a new Retirement Fund or purchase of insurance or annuity contracts (either group or individual) as the Board shall determine.

**§35-18 – EXCLUSIVE BENEFIT**

This plan has been adopted for the exclusive benefit of certain Employees of the City and their beneficiaries. The City shall have no beneficial interest in the Retirement Fund or any part thereof, and no part of the Retirement Fund shall ever revert or be repaid to the City, either directly or indirectly, except for such part of the Retirement Fund, if any, which remains in the fund after

satisfaction of all liabilities to persons entitled to benefits under the plan and the payment of Plan expenses.

### **§35-19 – LIMITATION ON BENEFITS**

SECTION DELETED IN ITS ENTIRETY.

### **§35-20 – ELIGIBLE ROLLOVER DISTRIBUTIONS**

This Section applies to distributions made on or after July 1, 1993. Notwithstanding any provisions of the Plan to the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may elect, at the time and in the manner prescribed by the Retirement Board in accordance with applicable regulations, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

- A.** A Distributee who is entitled to elect a Direct Rollover with respect to all or any portion of a distribution but who does not make any election shall be deemed to have rejected the Direct Rollover option.
- B.** A Distributee who elects a Direct Rollover with respect to any Eligible Rollover Distribution that is one in a series of installment payments made at least annually over a period of less than 10 years shall be deemed to have made the same election with respect to all subsequent Eligible Rollover Distributions in the series unless and until the Distributee changes the election. A change of election shall be accomplished by notifying the Retirement Board of the change in the form and manner prescribed by the Retirement Board.
- C.** Within a reasonable period of time before an Eligible Rollover Distribution is to be made, the Retirement Board shall provide to the Distributee an explanation of the right to elect a Direct Rollover and the federal tax withholding consequences of failing to elect a Direct Rollover. A Distributee who elects a Direct Rollover must provide all information that the Retirement Board may require to complete the Direct Rollover.
- D.** For the purposes of this Section, the following definitions will apply:

  - (1) An "Eligible Rollover Distribution" is any distribution of all or any portion of the balance of the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (at least annually) made for the life (of the life expectancy) of the Distributee or the joint lives (of joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specific period of ten years or more; any distribution to the extent such distribution is required under Code Section 401(a)(9); and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

A distribution of less than \$200 that would otherwise be an Eligible Rollover Distribution within the meaning of Section D.(1) shall not be an Eligible Rollover Distribution if it is reasonable to expect that all such distributions to the Distributee from the Plan during the same calendar year will total less than \$200.

- (2) An “Eligible Retirement Plan” is: (i) an individual retirement account described in Code Section 408(a); (ii) an individual retirement annuity described in Code Section 408(b); (iii) an annuity plan described in Code Section 403(b); (iv) an eligible plan under Code Section 457(b) maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; (v) a qualified plan described in Code Sections 401(a) and 403(a) that accepts the eligible rollover distribution; or (vi) a Roth individual retirement account described in Code Section 408A. Effective January 1, 2007, the non-Spouse designated beneficiary of a deceased Member shall be eligible to directly roll over his or her interest in the Retirement System to an individual retirement account described in Code Section 408(a).
- (3) “Distributee” includes a City or former Employee. In addition, the Employee’s or former Employee’s surviving Spouse and the Employee’s or former Employee’s Spouse or former Spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are Distributees with regard to the interest of the Spouse or former Spouse.
- (4) A “Direct Rollover” is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

*E.* In no event shall the Plan accept Eligible Rollovers from any source unless a reemployed Member is making a repayment of his Member Contributions or such payment is being made in accordance with §35-5(C) or §35-3(B)(4).

### **§35-21 – FORFEITURES**

No forfeitures shall be applied to increase the benefits any Employee would otherwise receive under this Plan.

### **§35-22 – MINIMUM DISTRIBUTION REQUIREMENTS**

#### ***A. General Rules***

The provisions of this chapter will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

#### **Precedence**

- (1) The requirements of this chapter will take precedence over any inconsistent provisions of the plan.

- (2) Except to the extent inconsistent with this chapter, all distribution options provided under the plan are preserved.
- (3) This chapter does not authorize any distribution options not otherwise provided under the plan.

**Requirements of Treasury Regulations Incorporated.** All distributions required under this chapter will be determined and made in accordance with the Treasury regulations under Code Section 401(a)(9).

***B. Time and Manner of Distribution***

- (1) **Required Beginning Date.** The Member's entire interest will be distributed, or begin to be distributed, to the Member no later than the Member's Required Beginning Date.
- (2) **Death of Member Before Distributions Begin.** If the Member dies before distributions begin, the Member's entire interest will be distributed, or begin to be distributed, no later than as follows:
  - (i) If the Member's surviving Spouse is the Member's sole designated beneficiary, distributions to the surviving Spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Member died, or by December 31 of the calendar year in which the Member would have attained age 70½, if later.
  - (ii) If the Member's surviving Spouse is not the Member's sole designated beneficiary, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Member died.
  - (iii) If there is no designated beneficiary as of September 30 of the year following the year of the Member's death, the Member's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
  - (iv) If the Member's surviving Spouse is the Member's sole designated beneficiary and the surviving Spouse dies after the Member but before distributions to the surviving Spouse begin, this Section B.(2), other than Section B.(2)(i), will apply as if the surviving Spouse were the Member.
  - (v) For purposes of this Section B.(2) and Section E., distributions are considered to begin on the Member's required beginning date (or, if Section B.(2)(iv) applies, the date distributions are required to begin to the surviving Spouse under Section B.(2)(i)). If annuity payments irrevocably commence to the Member before the Member's required

beginning date (or to the Member's surviving Spouse before the date distributions are required to begin to the surviving Spouse under Section B.(2)(i)), the date distributions are considered to begin is the date distributions actually commence.

- (3) **Form of Distribution.** Unless the Member's interest is distributed 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 Sections C., D. and E. of this chapter.

**C. *Determination of Amount to be Distributed Each Year***

- (1) **General Annuity Requirements.** If the Member'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 Section D. or 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 non-increasing 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 Member'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 Section E. dies or is disabled.
  - (c) To the extent the beneficiary is no longer the Member's beneficiary pursuant to a qualified domestic relations order within the meaning of Code Section 414(p);
  - (d) To provide cash refunds of employee contributions upon the Member's death; or
  - (e) To pay increased benefits that result from a plan amendment.

- (2) **Amount Required to be Distributed by Required Beginning Date.** The amount that must be distributed on or before the Member's Required Beginning Date (or, if the Member dies before distributions begin, the date distributions are required to begin under Section B.(2)(i) or (ii)) 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 Member'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 Member's Required Beginning Date.
- (3) **Additional Accruals After First Distribution Calendar Year.** Any additional benefits accruing to the Member 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.

***D. Requirements for Annuity Distributions That Commence During Member's Lifetime***

- (1) **Joint Life Annuities Where the Beneficiary Is Not the Member's Spouse.** If the Member's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Member and a non-Spouse beneficiary, annuity payments to be made on or after the Member's required beginning date to the designated beneficiary after the Member'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 Member using the table set forth in Q&A-2 of Section 1.401(a)(9)-6 of the Treasury regulations as adjusted in the manner set forth in Q&A-2(c) of that regulation. If the form of distribution combines a joint and survivor annuity for the joint lives of the Member 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.
- (2) **Period Certain Annuities.** Unless the Member'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 Member's lifetime may not exceed the applicable distribution period for the Member under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Member reaches age 70, the applicable distribution period for the Member is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Member as of the Member's birthday in the year that contains the annuity starting date. If the Member's Spouse is the Member'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 Member's applicable distribution period, as determined under this Section D., or

the joint life and last survivor expectancy of the Member and the Member's Spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the Member's and Spouse's attained ages as of the Member's and Spouse's birthdays in the calendar year that contains the annuity starting date.

***E. Requirements For Minimum Distributions Where Member Dies Before Date Distributions Begin***

- (1) **Member Survived by Designated Beneficiary.** If the Member dies before the date distribution of his or her interest begins and there is a designated beneficiary, the Member's entire interest will be distributed, beginning no later than the time described in Section B.(2)(i) or (ii), over the life of the designated beneficiary or over a period certain not exceeding:
  - (i) 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 Member's death; or
  - (ii) 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.
- (2) **No Designated Beneficiary.** If the Member dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Member's death, distribution of the Member's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Member's death.
- (3) **Death of Surviving Spouse Before Distributions to Surviving Spouse Begin.** If the Member dies before the date distribution of his or her interest begins, the Member's surviving Spouse is the Member's sole designated beneficiary, and the surviving Spouse dies before distributions to the surviving Spouse begin, this Section E. will apply as if the surviving Spouse were the Member, except that the time by which distributions must begin will be determined without regard to Section B.(2)(i).

***F. Definitions***

- (1) **Designated Beneficiary.** The individual who is designated as the beneficiary under the plan and is the designated beneficiary under Code Section 401(a)(9) and Section 1.401(a)(9)-1, Q&A-4, of the Treasury regulations.
- (2) **Distribution Calendar Year.** A calendar year for which a minimum distribution is required. For distributions beginning before the Member's death, the first

distribution calendar year is the calendar year immediately preceding the calendar year which contains the Member's required beginning date. For distributions beginning after the Member's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Section B.(2).

- (3) **Life Expectancy.** Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.
- (4) **Required Beginning Date.** The Required Beginning Date shall be the April 1 of the calendar year following the later of:
  - (i) The calendar year in which the Member attains age seventy and one-half (70½), or
  - (ii) The calendar year in which the Member terminates employment.

## **APPENDIX A**

Jean Tidmarsh

Barbara Civali

Marsha Pare

Christin Benigni

Nicsa Torres