

CITY OF MERIDEN
MONEY PURCHASE PENSION PLAN

Effective July 1, 2011

As amended and restated July 1, 2016

unless provided otherwise herein

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CITY OF MERIDEN

MONEY PURCHASE PENSION PLAN

P R E A M B L E:

The City of Meriden (“City”), a Connecticut municipality, wishes to provide its employees with an opportunity to accumulate funds for their retirement. To implement this wish, the City has adopted the City of Meriden Money Purchase Pension Plan (“Plan”) as set forth in this document effective July 1, 2011. The Plan is intended to be a governmental plan, as defined in Section 414(d) of the Code. The Plan was amended effective July 1, 2012 to reflect changes applicable to newly hired police officers. The Plan is further amended effective July 1, 2014 to reflect changes to the definition of an Employee.

Pursuant to the provisions of Section 414(h)(2) of the Internal Revenue Code, the City will pick up and pay the contributions payable by the Employees, as set forth in this Plan.

ARTICLE I

DEFINITIONS

1.1 “Account.” The amounts credited to the Employee Contribution Account, Rollover Contribution Account and the City Contribution Account established and maintained on behalf of each Member.

1.2 “Annuity Starting Date.” The first day on which an amount is payable under Article VII with respect to any Member.

1.3 “Authorized Leave of Absence.” Any absence authorized by the City under the City's standard personnel practices, provided that all persons under similar circumstances must be treated alike in the granting of such Authorized Leaves of Absence and provided further that the Employee returns within the period of authorized absence. An absence due to service in the Armed Forces of the United States shall not be considered an Authorized Leave of Absence provided that the absence is caused by war or other emergency, or provided that the Employee is required to serve under the laws of conscription in time of peace, and further provided that the Employee returns to employment with the City within the period provided by law.

1.4 “Beneficiary.” One or more persons and/or trusts and/or estates designated in accordance with this Plan to receive benefits upon the death of a Member.

1.5 “Break in Service.” A Plan Year during which an Employee fails to accrue an Hour of Service. An Employee shall not be deemed to have incurred a Break in Service if he completes an Hour of Service within 12 months following his termination of employment.

1.6 “City.” The City of Meriden, a Connecticut municipality.

1.7 “City Contribution Account.” The account established in accordance with Section 4.2 to record the Member's City Contributions, as well as Fund appreciation attributable thereto.

1.8 “City Contributions.” The contributions made by the City in accordance with Section 4.2.

1.9 “Code.” The Internal Revenue Code of 1986 as it has been and as it may be amended from time to time and any regulations promulgated thereunder and interpretations thereof as such may affect this Plan.

1.10 “Compensation.” Each Employee's gross base pay paid by the City during the Plan Year to such Employee; provided, however, that with respect to police officers hired on or after July 1, 2012, Compensation shall only include overtime and other non-base pay including private duty pay. Compensation shall not include Compensation in excess of \$245,000 for the 2011 Plan Year (increased as permitted under Section 401(a)(17) of the Code to reflect cost-of-living adjustments). For all other purposes of the Plan, Compensation shall have the meaning prescribed by such Section.

1.11 “Effective Date.” July 1, 2011.

1.12 “Eligible Employee.” Any Employee hired on or after July 1, 2011 (i) who is not eligible to participate in any defined benefit plan maintained or contributed to by the City, (ii) is not eligible to participate in the State Teacher’s Retirement System during the time such individual is an Employee, or (iii) is not employed pursuant to a collective bargaining agreement with the Police or Fire departments unless such collective bargaining agreement provides for participation in this Plan. Any Employee of the Board of Education hired prior to July 1, 2011 who was not eligible to participate in any defined benefit plan maintained by the City shall be eligible to participate in this Plan.

1.13 “Employee.” Any regular, full-time employee of the City who works at least thirty (30) hours per week and nine (9) months per year or twenty (20) hours per week and twelve (12) months per year, including elected or appointed officials. Effective July 1, 2016, Employee shall include any firefighter hired on or after July 1, 2016.

1.14 “Employee Contribution Account.” The account established in accordance with Section 4.1 for each Member to record the Member's Employee Contributions, as well as Fund appreciation attributable thereto.

1.15 “Employee Contributions.” The contributions made by a Member in accordance with Section 4.1(a).

1.16 “Entry Date.” The Employee’s date of hire.

1.17 “Fund.” The corpus and all earnings, appreciation and additions thereto held by the Funding Agent under this Plan for the exclusive benefit of Members and their Beneficiaries.

1.18 “Funding Agent.” Such individual or corporate fiduciary or fiduciaries as may be duly appointed to hold the assets of the Fund pursuant to the terms of this Plan and the Funding Vehicle.

1.19 “Funding Vehicle.” The group annuity contract or trust agreement entered into by the City and the Funding Agent to hold and invest the assets contributed under the terms of this Plan.

1.20 “Hour of Service.”

- (a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the City during the applicable computation period, which hours shall be credited to the Employee for the computation period or periods in which the duties were performed.
- (b) Each hour, but not in excess of 501 hours in one continuous period, for which an Employee is directly or indirectly paid, or entitled to payment, by the City on account of a period of time during which no duties are performed by the Employee (irrespective of whether

the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence, which hours shall be credited to the computation period or periods in which the period during which no duties are performed occurs.

- (c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to be paid to an Employee by the City, which hours shall be credited to the Employee for the computation period to which the award or agreement pertains, rather than the computation period in which the payment is made.
- (d) Solely for purposes of determining whether an Employee has a Break in Service, an Employee shall be credited with up to 501 Hours of Service for any Plan Year during which the Employee does not perform any duties by reason of:
 - (i) the pregnancy of the Employee,
 - (ii) the birth of a child of the Employee,
 - (iii) the placement of a child with the Employee in connection with the adoption of such child by such individual, or
 - (iv) the caring for such child for a period beginning immediately following such birth or placement.

Such hours shall be credited in the Plan Year in which the absence begins if such absence would prevent an Employee from completing 500 Hours of Service during such year or, in any other case, in the following Plan Year. No Hours of Service shall be credited under this paragraph unless the Employee furnishes to the Plan Administrator timely information to establish the appropriate reasons for any absence and the number of days for which there was such an absence.

- (e) Solely for purposes of determining whether an Employee has a Break in Service, an Employee shall be credited with up to 501 Hours of Service for any Plan Year during which the Employee does not perform any duties by reason of taking an Authorized Leave of Absence under the Family and Medical Leave Act.
- (f) Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to qualified military service shall be provided in accordance with Section 414(u) of the Code.

1.21 “Member.” An Eligible Employee who is eligible to participate in the Plan as prescribed in Article III and for whose benefit, or for whose Beneficiary, the Funding Agent holds or will hold assets until his Account Balance has been fully distributed.

1.22 “Normal Retirement Age.” The Member’s sixty-fifth (65th) birthday. A police officer or a firefighter who attains age 65 shall be retired automatically by the City, effective the first day of the month following his sixty-fifth birthday

1.23 “Normal Retirement Date.” The first day of the month coinciding with or next following a Member’s Normal Retirement Age.

1.24 “Pension Plan.” The City of Meriden Municipal Employees Pension Plan, as it may be amended and restated from time to time and any ordinance with respect thereto. Pension Plan shall also include the pension plan covering police and fire department employees of the City hired prior to the date such employees were eligible to participate in the Municipal Employees Pension Plan.

1.25 “Plan.” The City of Meriden Money Purchase Pension Plan as set forth in this document and as it may be amended and restated from time to time.

1.26 “Plan Administrator.” The Director of Personnel and the Finance Director.

1.27 “Plan Year.” The twelve-month period commencing on July 1 and ending on June 30.

1.28 “Rollover Contribution.” The contribution made by a Member in accordance with Section 4.5.

1.29 “Rollover Contribution Account.” The account established in accordance with Section 4.5 for each Participant to record the Member’s Rollover Contributions, if any, and Fund appreciation attributable thereto.

1.30 “Service.” The period of elapsed time beginning on the date an Employee commences employment with the City, and ending on his most recent severance date, which shall be the earlier of (i) the date he quits, is discharged, retires or dies or (ii) the first anniversary of the date on which he or she is first absent from Service, with or without pay, for any reason such as vacation, sickness, disability, lay off, leave of absence. If an Employee terminates employment and is later reemployed within 12 months of (i) his date of termination or (ii) the first day of an absence from Service immediately preceding his date of termination, if earlier, the period between his severance date and his date of reemployment shall be included in his or her Service. If an Employee terminates employment and is later reemployed after 12 or more months have elapsed since his severance date, the period of Service prior to his severance date shall be included in his Service.

1.31 “Total and Permanent Disability.” A determination by the Social Security Administration that a Member is disabled and is eligible for Social Security disability insurance benefits.

1.32 “Valuation Date.” Each business day and such other dates as the Plan Administrator shall determine to value the Fund.

ARTICLE II

ADMINISTRATION OF THE PLAN

2.1 Expenses of the Plan. All usual and reasonable expenses of the Plan Administrator may be paid in whole or in part by the Funding Agent out of the assets of the Funding Vehicle, and any expenses not so paid shall be paid by the City.

2.2 Agents. The Plan Administrator may employ such agents to perform clerical and other services, and such counsel, accountants and actuaries as it may deem necessary or desirable for administration of the Plan. The Plan Administrator may rely upon the written opinions or certificates of any agent, counsel, actuary or physician.

2.3 Procedures. The Plan Administrator shall adopt such rules as it deems desirable and shall keep all such books of account, records and other data as may be necessary for proper administration of the Plan. The Plan Administrator shall keep a record of all actions and forward all necessary communications to the Funding Agent and the City. The Plan Administrator shall keep records containing all relevant data pertaining to any person affected hereby and his rights under the Plan.

2.4 Plan Administrator's Powers and Duties. The Plan Administrator shall have such powers and duties as may be necessary to discharge its function hereunder, including, but not by way of limitation, the following:

- (a) To construe and interpret the Plan, to decide all questions which may arise relative to the rights of Members, past and present, and their Beneficiaries, under the terms of the Plan;
- (b) To obtain from the City and from Members such information as shall be necessary for the proper administration of the Plan, and, when appropriate, to furnish such information promptly to the Funding Agent or other persons entitled thereto;
- (c) To prepare and distribute, in such manner as the Plan Administrator determines to be appropriate, information explaining the Plan;
- (d) To furnish the City, upon request, such reports with respect to the administration of the Plan as are reasonable and appropriate;
- (e) To obtain and review reports of the Funding Agent pertaining to the receipts, disbursements and financial condition of the Funding Vehicle;
- (f) To establish and maintain such accounts in the name of the City and of each Member as are necessary; and

- (g) To delegate all or any part of its responsibilities under the Plan and in the same manner revoke any such delegation of responsibility. Any action in the exercise of such delegated responsibilities shall have the same force and effect for all purposes as if such action had been taken by the Plan Administrator. The delegated party shall have the right, in his sole discretion, by written instrument delivered to the Plan Administrator, to reject and to refuse to exercise any such delegated authority.

2.5 Liability and Indemnification of the Plan Administrator. In connection with any action or determination, the Plan Administrator shall be entitled to rely upon information furnished by the City. To the extent permitted by law, the City shall indemnify the Plan Administrator against any liability or loss sustained by reason of any act or failure to act in his administrative capacity, if such act or failure to act does not involve willful misconduct. Such indemnification of the Plan Administrator shall include attorney's fees and other costs and expenses reasonably incurred in defense of any action brought against the Plan Administrator or any member thereof by reason of any such act or failure to act. No bond or other security shall be required of the Plan Administrator unless it directly controls funds or other property of the Plan.

2.6 Standard of Review. The Plan Administrator shall have sole discretion to make decisions regarding a Member's or Beneficiary's benefits and such decision shall be conclusive and binding on all parties. The Plan Administrator, in its discretion, shall have the authority to interpret all provisions of this Plan, and to make all decisions regarding administration of the Plan and eligibility for benefits under the Plan, and such interpretation shall be conclusive and binding on all parties. All decisions of the Plan Administrator with respect to this Plan shall be respected unless arbitrary and capricious.

2.7 Miscellaneous.

- (a) All actions or determinations of the Plan Administrator or the City hereunder shall be made or result from uniform standards applied in a nondiscriminatory manner with respect to all Employees, Members, or Beneficiaries.
- (b) Any person affected hereby may consult with the Plan Administrator on any matters relating to his interest in the Plan.
- (c) The Plan Administrator shall not vote or decide upon any matters relating solely to himself or to any of his rights or benefits under this Plan.

ARTICLE III

PARTICIPATION IN PLAN

3.1 Conditions of Eligibility. An Eligible Employee shall become a Member in the Plan on his or her date of hire.

3.2 Participation. In addition to meeting the criteria of 3.1, to become a Member, an Employee must have provided the Plan Administrator with such information as the Plan Administrator shall require.

3.3 Termination of Participation. Participation in the Plan will terminate when a Member or his Beneficiaries have received all benefits due to them under the Plan. If a Member terminates his employment with the City and is subsequently rehired, he shall resume participation in the Plan upon the date of his rehiring.

ARTICLE IV

CONTRIBUTIONS

4.1 Employee Contributions. Subject to the provisions of Section 4.3 and to the requirements and limitations of this Section 4.1, each Member shall make a mandatory contribution in the amount of five percent (5%) of the Member's Compensation and the City will reduce the Member's Compensation otherwise payable currently by that percentage, credit the amount to the Employee Contribution Account on behalf of the Member and contribute such amount to the Funding Vehicle. With respect to Employees other than employees of the Board of Education, effective the first pay period following the date Member has been credited with 10 years of Service, the amount of such Employee Contributions shall increase to six percent (6%) of the Member's Compensation. Notwithstanding the foregoing, each Member who is a police officer hired on or after July 1, 2012 shall make a mandatory contribution in the amount of ten percent (10%) of the Member's non-base pay, including private duty compensation.

No later than an Employee's date of hire or, if later, eligibility to participate in this Plan, such Employee may make, in writing, a one-time irrevocable election to make additional Employee Contributions of a fixed percentage of Compensation earned each year up to a maximum additional contribution of ten (10%) of Compensation for such year. If such an election is made, such election will continue so long as such Employee is employed by the City and eligible to participate in this Plan.

4.2 City Contributions. The City shall make a contribution in an amount equal to five percent (5%) of the Member's Compensation. With respect to Employees other than employees of the Board of Education, effective the first pay period following the date Member has been credited with 10 years of Service, the amount of such City Contributions shall increase to six percent (6%) of the Member's Compensation. City Contributions shall be allocated as of the last day of each week to a Member's City Contribution Account, provided that the Member is employed on such date. Notwithstanding the foregoing, the City shall make a contribution on behalf of police officers hired on or after July 1, 2012 of three percent (3%) of the Member's non-base pay, but excluding private duty pay. The amount of City Contributions at any time shall be reduced by the amount of forfeitures available at that time to be allocated to Member City Contribution Account. The City Contributions shall be made at such times as it shall determine in its sole discretion.

4.3 Limitations upon Contributions.

- (a) The maximum annual addition that may be contributed or allocated to a Member's Account, all other defined contribution plans, all individual medical accounts (as defined in Section 415(1)(2) of the Code) which are part of a defined benefit plan, and all separate accounts for post-retirement medical benefits of key employees (as defined in Section 419A(d)(3) of the Code) under a welfare benefit and (as defined in Section 419(e) of the Code), maintained by the City for any limitation year shall not exceed the lesser of (i) or (ii) below:

- (i) the applicable limit under Section 415(c) of the Code (\$49,000 for 2011) (as adjusted for cost-of-living adjustments under Section 415(d) of the Code), or
 - (ii) 100% of the Member's "Section 415 Compensation" (as defined in paragraph (b) below) for such Limitation Year.
- (b) The term "Section 415 Compensation" means wages, salaries, and fees for professional services and other amounts received from the City during the limitation year (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the City, to the extent such amounts are includable in gross income, including, but not limited to, overtime pay, tips, bonuses, commissions to paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, fringe benefits, reimbursements, and expense allowances, and excluding amounts which receive special tax benefits.

For purposes of applying the limitations of this Section, the term "Section 415 Compensation" means the compensation actually paid or includable in the Employee's gross income for the limitation year.

Compensation shall also include differential wage payments made to active duty members of the uniformed services in accordance with Code Section 3401(h). For this purpose, differential wage payments shall mean any payment which:

- (i) is made by an employer to an individual with respect to any period during which the individual is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days, and
- (ii) represents all or a portion of the wages the individual would have received from the employer if the individual were performing service for the employer.

Compensation shall also include payments made by the later of two and a half months after severance from employment or the end of the limitation year that includes the date of severance from employment, provided that absent a severance from employment, such payments would have been paid to the Employee while the Employee continued in employment with the City and are regular compensation for services during the Employee's regular working hours, compensation for services outside of the Employee's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar compensation.

- (c) For purposes of the Plan, an annual addition consists of the amounts allocated to a Member's accounts during the limitation year that constitute:
- (i) City contributions and forfeitures allocable to a Member under all plans (or portions thereof) maintained by the City subject to Section 415(c) of the Code;
 - (ii) the Member's Employee Contributions under all such plans (or portions thereof); and
 - (iii) amounts allocated to an individual medical account (as defined in Section 415(l)(2) of the Code) under a pension or annuity plan maintained by the City, or amounts derived from contributions paid or accrued in taxable years ending after such date, which are attributable to post-retirement medical benefits, allocated to the separate account of a key employee (as defined in Section 419(A)(d)(3) of the Code) under a welfare benefit fund (as defined in Section 419(e) of the Code) maintained by the City.

Any excess amount applied under paragraph (d) below in the limitation year to reduce City Contributions shall be considered annual additions for such limitation year.

Annual additions shall not include (i) restorative payments made to restore losses to the Plan resulting from actions by a fiduciary for which there is a reasonable risk of liability for breach of fiduciary duty under applicable law, where participants who are similarly situated are treated similarly with respect to the payments; (ii) the direct transfer of a benefit or employee contributions from a qualified plan to this Plan; (iii) rollover contributions as described in Code Sections 401(a)(31), 402(c)(1), 403(b)(8), 408(d)(3), and 457(e)(16); or (iv) repayments of loans made to a Member from the Plan or (iv) any loan repayments, or any prior distributions repaid upon the exercise of buy-back rights.

- (d) If the limitation on annual additions to a Member's accounts is exceeded, such excess annual additions shall be corrected as permitted under the applicable law, statute, regulation or procedure.
- (e) The limitation year shall be the Plan Year.

4.4 Administrative Expenses. To the extent that any administrative expenses of the Plan are not paid from the Funding Vehicle and treated as an expense of the Funding Vehicle, such expenses shall be paid by the City. No amount contributed by the City in payment of administrative expenses shall be allocated to Members.

4.5 Rollover Contributions. Under such rules and procedures as the Plan Administrator may establish, any Eligible Employee may make the following Rollover Contributions to the Plan that: (a)(i) represents his interest in a plan meeting the requirements of Section 401(a) of the Code, (ii) represents his interest in an annuity contract described in Section

403(b) of the Code, (iii) represents his interest in an eligible plan under Section 457(b) of the Code maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, which is separately accounted for, (iv) is a distribution from an individual retirement account or annuity described in Section 408(a) or 408(b) of the Code that is eligible to be rolled over and would otherwise be included in gross income, or (v) is a distribution received under a Qualified Domestic Relations Order; and (b) qualifies under Section 402(c)(4) or Section 408(d)(3)(A)(ii) of the Code. Any amount described above that is received by an Employee as the surviving spouse of a deceased Plan Member is an eligible Rollover Contribution.

Such contribution shall not be subject to the limitations set forth in Section 4.3 hereof.

ARTICLE V

INVESTMENT PROVISIONS

5.1 Investment of Contributions. The City, in its sole discretion, may establish such Investment Funds as it shall deem appropriate.

5.2 Investment of Contributions. The Member's Account shall be invested in such of the Investment Funds as the Member shall elect, and shall remain so invested except to the extent a transfer pursuant to Section 5.3 has been affected. Such election shall specify the whole percentage of such contributions to be invested in each such Investment Fund. Any change in such election, which must be filed with the Plan Administrator at such time and in such manner as the Plan Administrator shall determine, shall be effective only with respect to subsequent contributions.

5.3 Transfer between Funds. The Member may elect to transfer all or a portion of the amounts in his Account, as of the time of reference, invested in any one or more Investment Funds to any one or more other Investment Funds. Such election shall be made at such time and in such manner as the Plan Administrator shall determine and shall reflect the percentage of the amount credited to the Member in any Investment Fund to be transferred and the amount of such transfer to be invested in each other Investment Fund.

5.4 Investment of Investment Funds. Each Investment Fund shall at all times consist of such sums of money or other property as shall be allocated or transferred to it for investment, all investments made by it and proceeds received on the disposition of such investments, and all of its earnings and profits, less the payments or transfers which at the time of reference shall have been made from each such Investment Fund as provided in the Plan.

5.5 Accounting for Member's Shares. The Plan Administrator shall maintain for each Member an individual accounting showing his share in each Investment Fund in which his contributions have been invested.

5.6 Adjustment for Investment Experience.

- (a) As of each Valuation Date, the Plan Administrator shall adjust the Member's Account to reflect the Member's proportionate share of investment experience, including gains and losses (both realized and unrealized) of each Investment Fund since the preceding Valuation Date.
- (b) For purposes of paragraph (a), each Member's proportionate share of investment experience as of a Valuation Date shall be based on gains and losses determined with respect to the Member's interest in the Investment Fund as of the preceding Valuation Date, adjusted for contributions made to the Investment Fund and distributions made from the Investment Fund.

5.7 Composition of Accountings. With respect to each accounting of a Member's share in the Fund, the Plan Administrator shall segregate the portion of the amounts attributable to Employee Contributions and City Contributions and shall allocate to each segregated account any earnings attributable thereto.

ARTICLE VI

VESTING

6.1 Regular Vesting. Each Member shall be fully vested in amounts in his Employee Contribution Account and Rollover Contribution Account at all times. Each Member shall be vested in amounts in his City Contribution Account in accordance with the following table:

<u>Years of Service</u>	<u>Vesting Percentage</u>
6	20%
7	40%
8	60%
9	80%
10	100%

A Member who has completed at least one (1) year of Service shall be fully vested in the amounts in his City Contribution Account upon the event of his death or Total and Permanent Disability. A Member who has attained Normal Retirement Age and completed at least five (5) years of Service shall also be fully vested.

If a Member leaves employment with the City to perform qualified military service and dies while performing such qualified military service, to the extent that a Member was not fully vested in his Account at the time such Member commenced the period of qualified military service during which his death occurred, such Member shall be fully vested as if he died while employed by the City and had completed one year of Service. For purposes of this Section, the term “qualified military service” shall be defined as set forth in Code Section 414(u).

ARTICLE VII

DISTRIBUTION OF BENEFITS

7.1 Methods of Distribution. Each Member shall have the option, to be exercised by a written direction to the Plan Administrator, to elect to receive retirement benefits in one of the following modes:

- (a) A lump sum payment, subject, however to the provisions of Section 7.4;
- (b) Installment payments over a period not to exceed the longer of the Member's life expectancy or the joint and last survivor life expectancy of the Member and his or her Beneficiary; or
- (c) Applied to the purchase of a nontransferable annuity contract (subject, however, to the provisions of Sections 7.3 and 7.4).

7.2 Automatic Form of Benefit. If no election as to any specific form of retirement benefit is made to the Plan Administrator, the normal form of retirement benefit payable under the Plan shall be a lump sum distribution. If the Member dies before his Normal Retirement Date, no benefits shall be payable under this Section 7.2 but shall be payable pursuant to Section 7.5.

7.3 Cash-out Provisions. If the total vested portion of a Member's Account, as of the applicable Valuation Date, does not exceed \$1,000, the Plan Administrator shall direct the Funding Agent to distribute the Member's Account to the Member as soon as practicable after he terminates employment. If the vested portion of a Member's Account exceeds \$1,000, distribution to a Member who terminates employment for any reason except death or Total and Permanent Disability may not commence prior to the time the Member attains Normal Retirement Age without the Member's consent. Benefits that are not so paid to a Member shall be held by the Funding Agent and distributed as soon as practicable following such Member's Normal Retirement Date.

A Member who does not have a nonforfeitable right to his Account upon termination of employment shall be deemed to receive a distribution of his entire Account.

7.4 Commencement of Benefits. Payment of the amounts to which a Member who does not elect otherwise is entitled shall generally commence within 60 days after the last day of the Plan Year in which the Member terminates employment. Notwithstanding any other provision of the Plan to the contrary, payment of the Account shall not commence later than the Required Beginning Date of a Member. The Required Beginning Date of a Member is the first day of April of the calendar year following the calendar year in which the Member attains age 70-1/2 or retires, if later. The failure of a Member and spouse to consent to a distribution while a benefit is immediately distributable shall be deemed to be an election to defer commencement of any benefit sufficient to satisfy this Section. Notwithstanding anything in the Plan to the contrary, all distributions required under this Section shall be determined and made in

accordance with the regulations under Section 401(a)(9) of the Code. Distributions will be made in accordance with Sections 1.401(a)(9)-2 through 1.401(a)(9)-9 of the Treasury Regulations.

7.5 Death Benefits.

- (a) If a Member dies after distribution of his retirement benefits has commenced, the remaining portion of his benefits shall continue to be distributed to the Member's Beneficiary at least as frequently as under the method of distribution being used prior to the Member's death.
- (b) If a Member dies before the distribution of his Account has been made, distribution to the Member's Beneficiary shall be made in one of the modes set forth in Section 7.2 as the Member's Beneficiary, in his sole discretion, may determine. Such distribution shall be made as soon as practicable after the Valuation Date preceding the death of the Member or at such later date as the Member's Beneficiary may elect. In no event may the total amount credited to such Member's Account be distributed to the Member's Beneficiary after five years after the death of the Member, subject to the following exceptions:
 - (i) If payments are made in installments, distributions must be made in substantially equal installments over a period certain not exceeding the life expectancy of the designated Beneficiary, commencing no later than one year after the Member's death;
 - (ii) If the designated Beneficiary is the Member's surviving spouse, distributions may be made in substantially equal installments over a period certain not exceeding the spouse's life expectancy, commencing no later than the date on which the Member would have attained age 70-1/2, and, if the spouse dies before payments begin, subsequent distributions shall be made as if the spouse had been the Member. Any amount paid to a child of the Member will be treated as if it had been paid to the surviving spouse if the amount becomes payable to the surviving spouse upon the child reaching the age of majority (or other designated event permitted under the Code).
 - (iii) Any death benefit shall be paid to any person or persons that the Member has designated, in the manner prescribed by the Plan Administrator, as primary or contingent Beneficiaries.
- (c) If the Member is not survived by a designated Beneficiary with respect to all or a part of his Account, the Member's Beneficiary with respect to such Account or part thereof shall be the Member's spouse, if then living, or if not, the Member's estate.

- (d) For purposes of the payment of benefits under this Section 7.5, a Member's affirmative designation of his spouse as his Beneficiary shall be automatically revoked effective as of the date on which a final divorce decree or judgment is entered by a court dissolving the marriage of the Member and such spouse.

7.6 Disability Benefits. In the event that a Member's employment is terminated as a result of Total and Permanent Disability, the Plan Administrator shall direct the Funding Agent to distribute all funds credited to the Member's Account to the Member in accordance with Section 7.1, as though he had retired on his Normal Retirement Date.

7.7 Distribution Requirements.

- (a) The Plan Administrator shall furnish each Member, no less than 30 days and no more than 90 days prior to the date such Member will receive a distribution pursuant to this Article VII, with a written explanation of his right to elect a Direct Rollover and the withholding consequences of not making such election. A Member may elect to waive the 30-day time period set forth in the preceding sentence.
- (b) Unless a Member elects a Direct Rollover, as defined in Section 7.7(c), 20% of the amount of any lump sum distribution shall be subject to Internal Revenue Service Income Tax Withholding. If a Member's Account has a value of less than \$200 (or such other amount as prescribed by the Internal Revenue Service), the foregoing withholding requirement shall not apply.
- (c) A "Direct Rollover" is an eligible rollover distribution (as defined in Treasury Regulations issued pursuant to Sections 401(a)(31) and 402(c) of the Code) that is paid directly to an "eligible retirement plan" for the Member's benefit. The term "eligible retirement plan" means: (a) an individual retirement account described in Section 408(a) of the Code; (b) an individual retirement annuity described in Section 408(b) of the Code; (c) an annuity plan described in Section 403(b) of the Code; (d) an eligible plan under Section 457(b) of the Code maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; (e) a qualified plan described in Sections 401(a) and 403(a) of the Code that accepts the eligible rollover distribution; or (f) a Roth individual retirement account described in Section 408A of the Code. A Member may elect to have a portion of an eligible rollover distribution distributed to him and a portion distributed as a Direct Rollover. The non-spouse Beneficiary of a deceased Member shall be eligible to directly roll over his or her interest in the Plan to an individual retirement account described in Section 408(a) of the Code. A Direct Rollover of a Member's Account or a portion thereof may only be

made to a single recipient plan. A Member may not elect a Direct Rollover of a distribution less than \$200 (\$500 if the Member is electing a Direct Rollover of only a portion of his Account). A Member electing a Direct Rollover shall be required to furnish the Plan Administrator with adequate information with respect to the recipient plan, including, but not limited to, the name of the recipient plan and a representation that the recipient plan is an eligible individual retirement plan or qualified defined contribution plan and that it will accept the Member's Direct Rollover.

If a Member fails to elect a Direct Rollover or provide the Plan Administrator with adequate information in order to make a Direct Rollover prior to the date distribution is to be made to such Member, such Member shall be deemed not to have elected a Direct Rollover.

7.8 Valuation for Distribution. The amounts due any Member or his Beneficiary under this Article VII shall be determined by the Plan Administrator on the basis of his Account as of the Valuation Date immediately preceding the date of distribution.

7.9 Forfeitures. Any balance remaining in the City Contribution Account of a Member after all payments due him have been made shall first be used to pay administrative expenses, if any, and then be used to reduce City Contributions and shall be credited as provided in Section 4.2.

ARTICLE VIII

FUNDING VEHICLE

8.1 Funding Agent. All contributions to the Plan by the City shall be paid to the Funding Agent, with such powers as to investment, reinvestment, control, and disbursement of the Fund as may be provided in the Funding Vehicle. The Plan Administrator shall determine the manner in which the Fund shall be disbursed, in accordance with the Plan and the provisions of the Funding Vehicle.

8.2 Funding Vehicle for Exclusive Benefit of Employees. All assets of the Plan shall be held in the Funding Vehicle created for the exclusive benefit of the Employees, former Employees, and their Beneficiaries. In the case of a contribution that is made to the Plan under a mistake of fact, this Article shall not prohibit the return to the City at the written direction of the Plan Administrator of such contribution within one year after the payment of the contribution.

ARTICLE IX

AMENDMENT, TERMINATION AND MERGER

9.1 Amendment and Termination of Plan.

- (a) Amendment. The City shall have the right at any time, and from time to time, to amend, in whole or in part, any or all of the provisions of this Plan. However, no such amendment shall authorize or permit any part of the Fund to be used for or diverted to purposes other than for the exclusive benefit of the Members or their Beneficiaries; no such amendment shall cause any reduction in the value of funds theretofore credited to any Member, or cause or permit any portion of the Fund to revert to or become the property of the City; and no such amendment which affects the rights, duties or responsibilities of the Funding Agent may be made without the Funding Agent's written consent.
- (b) Termination. Although the City intends this Plan to continue indefinitely, the City reserves the right to terminate this Plan and the Funding Vehicle. Upon termination of the Plan, the Plan Administrator shall deliver to the Funding Agent written notice of such termination.

Upon termination of the Plan, the Plan Administrator shall direct the Funding Agent to distribute all assets remaining in the Funding Vehicle, after payment of any expenses properly chargeable against the Funding Vehicle, to the Members in accordance with the value of their accounts as of the date of such termination.

9.2 Merger. This Plan shall not be merged or consolidated with, nor shall any assets or liabilities be transferred to, any other plan, unless the benefits payable to each Member if the Plan were terminated immediately after such action would be equal to or greater than the benefits to which such Member would have been entitled if this Plan had been terminated immediately before such action.

ARTICLE X

MISCELLANEOUS

10.1 Members' Rights. Neither the establishment of the Plan and Funding Vehicle hereby created, nor any modification thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any Member or other person any legal or equitable right against the City, any officer or employee thereof, the Plan Administrator, or the Funding Agent, except as herein provided. Under no circumstances shall the terms of employment of any Member be modified or in any way affected hereby.

10.2 Non-Assignability of Benefits. The provisions of this Plan are intended as personal protection for the Members. A Member shall not have any right to assign, anticipate or hypothecate any assets held for his benefit, including amounts credited to his account. Benefits under this Plan shall not be subject to seizure by legal process or in any way subject to claims of the Member's creditors, including, without limitation, any liability for contracts, debts, torts, alimony or support of any relative except as provided under a qualified domestic relations order as defined in Section 414(p) of the Code. The Plan's benefits or the Funding Vehicle assets shall not be considered an asset of a Member in the event of his insolvency or bankruptcy.

If a Member shall attempt to assign, anticipate or hypothecate any assets held for his benefit, or should such benefits be received by anyone other than the Member or his designated Beneficiary, the Plan Administrator, in his sole and absolute discretion, may terminate the Member's interest in such benefits and instruct the Funding Agent to hold or apply the benefits for the Member, his spouse, children or other dependents.

10.3 Delegation of Authority by the Plan Administrator. Whenever the Plan Administrator under the terms of this Plan is permitted or required to do or perform any act or matter or thing it may be done and performed by any duly authorized delegate.

10.4 Construction of Plan and Funding Vehicle. This Plan and Funding Vehicle shall be construed according to the laws of the State of Connecticut and all provisions hereof shall be administered according to the laws of such state.

10.5 Gender and Number. 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.

10.6 Incapacity to Receive Distributions. If any person entitled to receive any benefit under the Plan is, in the judgment of the Plan Administrator, legally, physically or mentally incapable of personally receiving and receipting for any distribution, the Plan Administrator may instruct the Funding Agent to make distribution to such other person, persons, or institutions as, in the judgment of the Plan Administrator, then maintain or have custody of such person. Such payments shall, to the extent thereof, discharge all liability of the City, the Plan Administrator and the Funding Vehicle.

10.7 Location of Member or Beneficiary. In the event that any benefit shall become payable hereunder to any person and if, after written notice from the Funding Agent mailed to such person's last known address as certified to the Funding Agent by the Plan Administrator, such person shall not present himself to the Funding Agent within two years after the mailing of such notice, the Funding Agent shall notify the Plan Administrator thereof. The Plan Administrator shall thereupon attempt to locate such person or, failing in such effort, to locate such person's designated Beneficiary, if applicable. If the Plan Administrator fails to locate such person or his Beneficiary, he shall attempt to locate such person's spouse and/or blood relatives and to allocate the benefit among such persons in such manner as the Plan Administrator in his absolute discretion deems equitable. If such person, Beneficiary, spouse or blood relatives cannot be located, the Plan Administrator shall treat the benefit as a forfeited amount to be used to reduce future City contributions; provided, however, that in the event that such person is subsequently located such benefit shall be restored and paid to him. The Plan Administrator's obligation to locate individuals under this Section shall be satisfied if the Plan Administrator employs reasonable efforts to that end.

IN WITNESS WHEREOF, this Plan has been executed this ____ day of June, 2012.

CITY OF MERIDEN

Witness

_____ By: _____
Its