

FOURTH AMENDMENT

TO THE CITY OF ALEXANDRIA FIREFIGHTERS AND POLICE OFFICERS

PENSION PLAN

Pursuant to the powers of amendment reserved under Section 12.1 of The City of Alexandria Firefighters and Police Officers Pension Plan, as amended and restated effective as of January 1, 2009 (the "Plan"), said Plan shall be and the same is hereby amended by the City of Alexandria, Virginia (the "City"), effective as of _____ 1, 2012, as follows:

FIRST CHANGE

Section 7.2 is hereby amended by adding the following subsection (d):

(d) Partial Lump Sum Option Program (PLOP)

A Participant who (i) retires at least one year after his or her Normal Retirement Age, or retires with at least 26 Years of Credited Service, (ii) has not elected the DROP under Section 6.4, and (iii) is not receiving Disability Benefits under Article 5, may elect to receive part of his or her Accrued Pension Benefit in the form of a lump sum and the remainder of his Accrued Pension Benefit in any of the optional forms available under Section 7.2(a) or (b). The monthly amount of the Accrued Pension Benefit otherwise payable to such Participant making a PLOP election shall be reduced on an actuarially equivalent basis (as determined based on the actuarial equivalency factors for non-Disabled Participants in Appendix A) to reflect the payment of such partial lump sum distribution. Any optional payment of the Accrued Pension Benefit, pursuant to Section 7.2(a) or (b), shall also be based upon such reduced Accrued Pension Benefit.

An eligible Participant may elect to have up to three years' worth of his or her reduced Accrued Pension Benefit payable in a lump sum, depending upon the number of the Participant's Years of Credited Service at retirement. The lump sum distribution payable to an eligible Participant who elects the PLOP shall be equal to twelve times the monthly amount of the Participant's reduced Accrued Pension Benefit for each year that the Participant elects to include in the calculation of the partial lump sum. The Accrued Pension Benefit used to determine the partial lump sum (and the payment of the Participant's remaining Accrued Pension Benefit), shall be determined based on the optional form of benefit under Section 7.2(a) or (b) that is selected by the Participant.

Discussion Draft
March 29, 2012

A Participant who is eligible for the PLOP under this Section 7.2(d) may elect to include at least one, and up to three, years' worth of reduced Accrued Pension Benefit in the calculation of the partial lump sum as follows:

<u>Retirement Date/ Service at Retirement</u>	<u>Number of Years that a Participant May Elect to Include in PLOP</u>
At least 1 year past Normal Retirement Date or 26 years of Credited Service	1
At least 2 years past Normal Retirement Date or 27 years of Credited Service	2
At least 3 years past Normal Retirement Date or 28 or more years of Credited Service	3

The partial lump sum distribution, if elected by an eligible Participant, shall be paid at the same time that the first monthly annuity payment is paid to such Participant.

Before an eligible Participant may make an election to receive a partial lump sum distribution, such Participant shall be provided with a calculation showing the amount by which the Participant's monthly retirement benefit will be reduced under each of the available partial lump sum options.

The PLOP election is a one-time only election. Once made, the PLOP election is irrevocable. Only one partial lump sum payment may be made pursuant to a PLOP election (even if the PLOP election made by an eligible Participant is for less than the maximum permitted partial lump sum).

If a Participant who makes a PLOP Election dies before his or her Benefit Commencement Date, the PLOP Election shall be inoperative, and the death benefits, if any, payable on account of the Participant's death shall be determined in accordance with the provisions of Section 6.9.

If a Participant who makes a PLOP Election dies after his or her Benefit Commencement Date, the benefits, if any, to which the Participant's Beneficiary shall be entitled shall depend upon the form in which the Participant's remaining Accrued Pension Benefit was payable at the time of his or her death, under the applicable form of benefit described in Section 7.2 (i.e., after taking into account the partial lump sum payment).

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Notwithstanding anything to the contrary, the PLOP may be eliminated for future retirees at any time prior to June 30, 2022. If the PLOP is eliminated, it will not affect any Participant who previously elected the PLOP in accordance with the terms of this Section 7.2(d).

IN WITNESS WHEREOF, the City has caused this Amendment to be executed by its

City Manager on this ____ day of _____, 2012.

CITY OF ALEXANDRIA

By: _____
Rashad M. Young, City Manager