

SIXTH 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 [October 23, 2013], as follows:

FIRST CHANGE

The definition of Administrator in Section 1.6 is hereby amended to read as follows:

Administrator

“Administrator” means the City Manager or the persons or committees designated by the City Manager to administer the Plan in accordance with Section 10.6. To the extent that a person and a committee (or more than one person or committee) is delegated specific functions with respect to the administration of the Plan, the term Administrator shall apply separately to each such person or committee within the scope of their assigned area of administrative responsibility.

SECOND CHANGE

The definition of Covered Employee in Section 1.6 is hereby amended to read as follows:

Covered Employee

“Covered Employee” means, except as noted below, an Employee who is employed by the City as (i) a sworn Police officer or Firefighter or (ii) a fire or police recruit (but only during the period of time that such Employee is employed by the City as a sworn Police officer or Firefighter or a fire or police recruit). The term Covered Employee shall also include a sworn Police officer or Firefighter or a fire or police recruit who becomes Disabled and who would be entitled to a Disability Benefit but for his or her employment by the City in another position in accordance with the

provisions of Section 5.3(d), 5.4(e) and 5.6, but only during the period of such alternative employment.

Appendix C sets forth the positions that represent Covered Employees under the Plan. Appendix C may be amended from time to time by the City Manager (after consultation with the Board) without the need for a formal amendment to the Plan and any such change shall be deemed to amend the definition of Covered Employee and shall become part of the Plan.

The term "Covered Employee" does not include (i) an Employee who is covered under the City of Alexandria Pension Plan for Firefighters and Police Officers, (ii) an Employee who is covered by and accruing benefits under the City of Alexandria Supplemental Plan[, or (iii) the Employee who was serving as the Chief of the Fire Department on the Effective Date.

The term "Covered Employee" does include any Employee subsequently designated as Chief of the Fire Department].

THIRD CHANGE

The following definition of Gainful Employment is hereby added to Section 1.6:

Gainful Employment

Any occupation or employment engaged in by a Participant who is Disabled and receiving a Disability Benefit, except for purposes of rehabilitation, as approved by the Administrator.

FOURTH CHANGE

The definition of Partial Disability or Partially Disabled in Section 1.6 is hereby amended to read as follows:

Employee Disability Contribution

"Employee Disability Contribution" means the after-tax contributions made by the Participant pursuant to Section 4.3(b) to fund Disability Benefits payable with respect to a Non-Service Connected Total and Permanent Disability or a Non-Service Connected Partial Disability.

FIFTH CHANGE

The definition of Partial Disability or Partially Disabled in Section 1.6 is hereby amended to read as follows:

Partial Disability or Partially Disabled

“Partial Disability” or “Partially Disabled” means an illness or injury which prevents a Covered Employee from performing the duties of a sworn Police Officer or Firefighter, as the case may be, as determined by the Administrator on the basis of a medical examination performed by an independent diagnostic clinic or physician(s) selected by the Administrator or a diagnostic clinic or physician(s) selected by the Participant, if acceptable to the Administrator.

SIXTH CHANGE

Section 4.3 is hereby amended to read as follows:

4.3 Disability Contributions

The cost of providing the Disability Benefits on or after the Date of Adoption shall be borne by contributions by the City and the Participants. The amount of the respective contributions shall be determined as follows:

(a) City Disability Contribution

On and after the Date of Adoption, subject to the limitations contained herein, the City shall, from time to time, make contributions to the Fund in amounts necessary, according to sound actuarial principles, (and based upon reasonable actuarial assumptions, funding methods and related matters recommended by the Actuary) to fund the Disability Benefits under this Plan (other than Disability Benefits attributable to a Non-Service Connected Total and Permanent Disability or a Non-Service Connected Partial Disability, which shall be funded by contributions made by Covered Employees in accordance with Section 4.3(b)).

(b) Employee Disability Contributions

- (1) On and after the Date of Adoption, each Participant shall make an Employee Disability Contribution in an amount required to offset the cost (as determined by the Actuary based upon reasonable actuarial assumptions, funding methods and related matters) to provide for Disability Benefits attributable to a Non-Service Connected Total and Permanent Disability under Sections 5.2 and 5.8 or a Non-Service Connected Partial Disability under Sections 5.4 and 5.10. Such Employee Disability Contribution shall continue until the earlier of the Participant’s (1) Termination Date, or (2) the last day of the pay period immediately preceding the

DROP Effective Date. Effective [November 1, 2013], the amount of the Employee Disability Contribution shall be [0.8%] of each Participant's Compensation. The rate of the Employee Disability Contribution shall be adjusted thereafter to the extent that the Actuary determines that such change is necessary to maintain proper funding. The amount of the Employee Disability Contribution shall not be picked up by the City under Section 414(h)(2) of the Internal Revenue Code. The Employee Disability Contribution shall only be used to pay for Disability Benefits on account of a Non-Service Connected Total and Permanent Disability or a Non-Service Connected Partial Disability.

- (2) A Participant who is on an Authorized Leave of Absence (and who is not considered to be Actively Employed during the period of such Authorized Leave of Absence) may make a written election, at the time the Authorized Leave of Absence commences, to continue coverage for Disability Benefits attributable to a Non-Service Connected Total and Permanent Disability under Sections 5.2 and 5.8 or a Non-Service Connected Partial Disability under Sections 5.4 and 5.10. A Participant who makes such an election shall pay the Employee Disability Contribution during the period of the Authorized Leave of Absence in accordance with such procedures as may be established by the Administrator for such payments. The amount of such required Employee Disability Contribution shall be based upon the percentage of Compensation required to be contributed by an Active Employee and the salary schedule (as adjusted from time to time) applicable to the rank and grade held by the Employee at the time the Authorized Leave of Absence commences.

SEVENTH CHANGE

Section 5.2 is hereby amended to read as follows:

5.2 Eligibility for a Non-Service Connected Total and Permanent Disability Benefit

A Participant whose Employment Commencement Date was prior to [October 23, 2013] will be eligible for a Disability Benefit on account of a Non-Service Connected Total and Permanent Disability commencing on the first day of the month when the Participant meets all of the following conditions:

- (a) The Participant is Totally Disabled while actively employed as a Covered Employee (and prior to his or her DROP Effective Date, if applicable);
- (b) The Participant has been Totally Disabled for a period of six (6) consecutive months;
- (c) The Participant has received an award of Social Security disability benefits; and

No Employee whose Employment Commencement Date or Reemployment Commencement Date is on or after [October 23, 2013] shall be eligible for a Disability Benefit on account of a Non-Service Connected Total and Permanent Disability.

EIGHTH CHANGE

Section 5.3 is hereby amended to read as follows:

5.3 Eligibility for Service Connected Partial Disability Benefit

A Participant will be eligible for a Disability Benefit on account of a Service Connected Partial Disability commencing on the first day of the month when he meets all of the following conditions:

- (a) The Participant is Partially Disabled while actively employed as a Covered Employee;
- (b) The Participant's Disability has been ruled by the Virginia State Industrial Commission to be compensable as Workmen's Compensation;
- (c) The Participant's Disability is certified by the Administrator as a Service Connected Partial Disability;
- (d) The City does not offer the Participant employment in a position with the City for which the Participant is qualified or for which the City is willing to assume the costs for the retraining and rehabilitation necessary to enable the Participant to qualify, as determined in accordance with Section 5.6; and
- (e) The Administrator determines that such Disability is not reasonably correctable or subject to rehabilitation, the cost of which shall be borne by the City.

NINTH CHANGE

Section 5.4 is hereby amended to read as follows:

5.4 Eligibility for a Disability Benefit on Account of Non-Service Connected Partial Disability

A Participant whose Employment Commencement Date was prior to [October 23, 2013] will be eligible for a Disability Benefit on account of a Non-Service Connected Partial Disability commencing on the first day of the month when the Participant meets all of the following conditions:

- (a) The Participant is Partially Disabled prior to the earlier of his or her Normal Retirement Date or DROP Effective Date (while actively employed as a Covered Employee);
- (b) The Participant applies for a Disability Benefit before [October 23, 2013] and has been a Participant under this Plan (including any participation under the Disability Income Plan) for at least five (5) years at the commencement of his or her Partial Disability, or the Participant applies for a Disability Benefit on or after [October 23, 2013] and has been a Participant under this Plan (including any participation under the Disability Income Plan) for at least ten (10) years at the commencement of his or her Partial Disability;
- (c) The Participant is Partially Disabled while actively employed as a Covered Employee (and prior to his or her DROP Effective Date, if applicable);
- (d) His disability is certified by the Administrator as a Non-Service Connected Partial Disability;
- (e) The City does not offer the Participant employment in a position with the City for which the Participant is qualified or for which the City is willing to assume the costs for the retraining and rehabilitation necessary to enable the Participant to qualify, as determined in accordance with Section 5.6; and
- (f) The Administrator determines that such Partial Disability is not reasonably correctable or subject to rehabilitation, the cost of which shall be borne by the City.

For purposes of determining whether a Participant has been Participant in the Plan for the required number of years (five or ten) at the commencement of his or her Partial Disability, the Partial Disability shall not be considered to have commenced until there

has been a medical determination by a physician that the Participant has an illness or injury which prevents the Participant from performing the duties of a sworn Police Officer or Firefighter.

No Employee whose Employment Commencement Date or Reemployment Commencement Date is on or after [October 23, 2013] shall be eligible for a Disability Benefit on account of a Non-Service Connected Partial Disability.

TENTH CHANGE

Section 5.6 is hereby amended to read as follows:

5.6 Gainful Employment

- (a) Notwithstanding any other provision of this Plan, any Participant receiving benefits or eligible to receive benefits under this Plan as the result of a Disability shall be required to accept employment in any position offered by the City for which the Participant is qualified or for which the City is willing to assume the costs for the retraining and rehabilitation necessary to enable the Participant to qualify, if the City, in its sole judgment, determines that such employment is appropriate under the circumstances and the City agrees to pay the Participant the same base salary or wages that the Participant was earning on his or her Disability Retirement Date.
- (b) (1) Prior to any action to provide such alternate employment,
 - (i) the Human Resources Department shall present a detailed job description to an independent physician selected by the City (who shall be the treating physician if the Disability was covered by the Workmen's Compensation Act) for review and a determination that the Participant is medically able to undertake such employment;
 - (ii) the Human Resources Department shall notify the Participant of the particulars of the alternative employment (including the job location and a copy of the job description) and a copy of the physician's determination that the Participant is able to undertake the offered employment;

- (iii) if the Participant believes he or she has just cause to refuse to accept such alternate employment, the Participant shall notify the Human Resources Department in writing of such reason or reasons for refusal, no later than ten (10) days from receipt of the notification required by the preceding subparagraph;
 - (iv) should the Human Resources Director, after reviewing the Participant's written statement, still believe the alternative employment is appropriate and suitable, the Human Resources Director shall respond in writing to the Participant, stating the reasons supporting the determination of appropriateness and suitability, particularly responding to the Participant's written statement of reasons;
 - (v) should the Participant continue to refuse to accept the alternate employment, the issue shall be determined in accordance with the procedures of Section 5.6(b)(2)(i) or (ii).
- (2)
- (i) In the event the Participant who refuses employment is, in addition, entitled to receive benefits under the Workmen's Compensation Act, the decision as to whether his refusal is justifiable shall be presented to the Industrial Commission of Virginia for determination under the provisions of Section 65.1-63, Code of Virginia, and the decision of the Industrial Commission shall also be binding on the question of termination of Disability Benefits, as set forth in Section 5.11(b)(5) or (c)(3). If the Industrial Commission should fail or refuse to act on this question, then the determination shall be made pursuant to Section 5.6(b)(2)(ii) below.
 - (ii) If a Participant entitled to Disability Benefits under this Plan is not entitled to receive benefits under the Workmen's Compensation Act of the Commonwealth of Virginia, the decision as to whether his refusal of alternative

employment is justifiable shall be presented to the City Attorney who shall act as an impartial arbitrator, based upon the entire record, under the standards utilized by the Industrial Commission under the provisions of Section 65.1-63, Code of Virginia. The City Attorney shall issue a written opinion specifying the reasoning and precedential support for his decision. The City Attorney may request either the Participant or the Human Resources Director, or both, to present additional information prior to rendering his decision.

- (c) A Participant who accepts alternate employment shall be deemed to be Disabled, (and shall become entitled to a Disability Benefit in accordance with the provisions of Section 5.3 or 5.4 hereof) to the extent that it is subsequently determined that, because of the Disability sustained while a Covered Employee, the alternative employment is no longer appropriate and suitable for the Participant. Such determination shall be made on the basis of a medical examination performed by an independent diagnostic clinic or physician(s) selected by the Administrator or a diagnostic clinic or physician(s) selected by the Participant, if acceptable to the Administrator. In addition, in order to receive a Disability Benefit, the Participant must otherwise be entitled to a Disability Benefit pursuant to Section 5.2 or 5.3 as of such date (i.e., he or she must meet all of the conditions imposed by Section 5.2 or 5.3, as the case may be, as of such date).

ELEVENTH CHANGE

Section 5.8 is hereby amended to read as follows:

5.8 Amount of Disability Benefit on Account of Non-Service Connected Total and Permanent Disability

- (a) Subject to Section 5.12, a Participant (1) whose Employment Commencement Date was prior to [October 23, 2013], (2) who applies for a Disability Benefit on or before [October 22, 2013] and (3) who is entitled to a Disability Benefit under Section 5.2 on account of a Non-Service Connected Total and Permanent Disability shall receive a monthly Disability Benefit equal to sixty-six and two-thirds percent (66 2/3%) of the Participant's Average Monthly Compensation.

- (b) Subject to Section 5.12, a Participant (1) whose Employment Commencement Date was prior to [October 23, 2013], (2) who applies for a Disability Benefit on or after [October 23, 2013], and (3) who is entitled to a Disability Benefit under Section 5.2 on account of a Non-Service Connected Total and Permanent Disability shall receive a monthly Disability Benefit equal to 2.5% of the Participant's Average Monthly Compensation, multiplied by the number of the Participant's Years of Credited Service as of the date of Disability. Solely, for purposes of this provision, a Participant's Pre-2004 Credited Service shall be taken into account in determining the Participant's Years of Credited Service, regardless of whether the Participant made an election pursuant to Section 3.4(b). Notwithstanding anything to the contrary, in no event shall a Participant's Disability Benefit under Section 5.2 exceed 50% of the Participant's Average Monthly Compensation.

TWELFTH CHANGE

Section 5.10 is hereby amended to read as follows:

5.10 Amount of Disability Benefit on Account of Non-Service Connected Partial Disability

Subject to Section 5.12,

- (a) A Participant (1) whose Employment Commencement Date was prior to [October 23, 2013], (2) who applies for a Disability Benefit on or before [October 22, 2013] and (3) who is entitled to a Disability Benefit under Section 5.4 on account of a Non-Service Connected Partial Disability shall receive a monthly Disability Benefit equal to fifty percent (50%) of the Participant's Average Monthly Compensation.
- (b) A Participant (1) whose Employment Commencement Date was prior to [October 23, 2013], (2) who applies for a Disability Benefit on or after [October 23, 2013] and (3) who is entitled to a Disability Benefit under Section 5.4 on account of a Non-Service Connected Partial Disability shall receive a monthly Disability Benefit equal to 2.5% of the Participant's Average Monthly Compensation, multiplied by the number of the Participant's Years of Credited Service as of the date of Disability. Solely, for purposes of this provision, a Participant's Pre-2004 Credited Service shall be taken into account in determining the Participant's Years of

Credited Service, regardless of whether the Participant made an election pursuant to Section 3.4(b). Notwithstanding anything to the contrary, in no event shall a Participant's Disability Benefit under Section 5.4 exceed 50% of the Participant's Average Monthly Compensation.

THIRTEENTH CHANGE

Section 5.12 is hereby amended to read as follows:

5.12 Limitation on Benefits

- (a) Disability Benefits under this Article 5 or the Disability Income Plan before Normal Retirement Date shall be limited by the assets of the Fund designated for the payment of Disability Benefits. If the Administrator after consultation with the Actuary foresees the portion of the Fund dedicated to Disability Benefits becoming insolvent, the Administrator may reduce all Participants' Disability Benefits on a pro rata basis as of the first day of any month after giving each Participant receiving Disability Benefits under the Plan and the Disability Income Plan adequate written notice.
- (b) The amount of the Disability Benefit payable to a Participant who applies for a Partial Disability Benefit (Service and Non-Service Connected) on or after [October 23, 2013] shall be reduced by an amount equal to a \$1 for each \$3 dollars in earnings from Gainful Employment in the preceding calendar year. The Administrator shall develop reasonable rules for applying the offset. For this purpose, earnings shall include wages, salary, fees, commissions or other remuneration for services rendered, but shall not include investment or other passive income.
- (c) In order to be eligible to receive a Disability Benefit, a Participant shall provide the Administrator with any information reasonably requested by the Administrator to determine whether the Participant has earnings from Gainful Employment. Such information may include, but is not necessarily limited to, copies of the Participant's federal and state income tax returns and account statements from financial institutions. If the Participant is married, such request may extend to accounts maintained by the Participant's spouse. In the event a Participant fails to provide the Administrator with information requested to determine the extent to which the Participant has earnings from Gainful Employment within thirty (30) days after it is

requested, the Administrator may suspend the Participant's Disability Benefit until such time as the information is provided. If the Participant fails to provide the Administrator with the requested information within thirty (30) days after a Disability Benefit has been suspended, the Administrator may cancel the Participant's Disability Benefit.

FOURTEENTH CHANGE

Section 5.13 is hereby amended to read as follows:

5.13 Disability Benefits After Normal Retirement Date

- (a) Upon the later of the Participant's Normal Retirement Date or Disability Retirement Date, a Participant who is receiving (or entitled to receive) Disability Benefits shall begin receiving his or her Accrued Pension Benefit in accordance with the provisions of Article 6 and may elect to have his or her Accrued Pension Benefit paid in any of the optional annuity forms permitted under Section 7.2(a) or (b) (but not under Section 7.2(c)). The Actuarial Equivalence of the optional annuity forms shall be determined using the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.13) set forth in Appendix A.

- (b) In the case of a Participant whose Disability Retirement Date occurs before his or her Normal Retirement Date and prior to [November 1, 2013], Disability Benefits under this Plan shall be recomputed as of the Participant Normal Retirement Date, so that the Participant's Disability Benefits under Article 5 and the sum of the Participant's Accrued Pension Benefit under Article 6 and, if applicable, the amount of his or her City Funded Retirement Income Account (all expressed in the form in which Disability Benefits were payable prior to the Participant's Normal Retirement Date) is actuarially equal in value to the amount of payments that the Participant would have received under Article 5 if the Participant (i) had not been Disabled, (ii) had continued to be employed by the City at the same rank and grade he or she had attained immediately prior to his or her Disability, (iii) for the prior forty-eight (48) months, had received the amount of pay applicable to such rank and grade (including any cost of living wage adjustment granted by the City but ignoring any step increases for such rank and grade), and (iv) had become Disabled and begun receiving Disability Benefits under this Article 5 immediately prior to his or her Normal

Retirement Date. If the amount of pay applicable to the Participant's rank and grade is modified by a change in the City's compensation or classification system, then the Participant shall be assigned to an equivalent rank and grade within such revised compensation or classification system for purposes of applying clauses (ii) and (iii) of this Section 5.13(b).

- (c) In the case of a Participant whose Disability Retirement Date occurs before his or her Normal Retirement Date and on or after [November 1, 2013], Disability Benefits under this Plan shall be recomputed as of the Participant Normal Retirement Date, so that the Participant's Disability Benefits under Article 5 and the sum of the Participant's Accrued Pension Benefit under Article 6 and, if applicable, the amount of his or her City Funded Retirement Income Account (all expressed in the form in which Disability Benefits were payable prior to the Participant's Normal Retirement Date) is actuarially equal in value to the amount of payments that the Participant would have received under Article 5 if the Participant (i) had not been Disabled, (ii) had continued to be employed by the City at the same rank and grade he or she had attained immediately prior to his or her Disability, (iii) for the prior forty-eight (48) months, had received the amount of pay applicable to the Participant on his or her Disability Retirement Date, and (iv) had become Disabled and begun receiving Disability Benefits under this Article 5 immediately prior to his or her Normal Retirement Date. If the amount of pay applicable to the Participant's rank and grade is modified by a change in the City's compensation or classification system, then the Participant shall be assigned to an equivalent rank and grade within such revised compensation or classification system for purposes of applying clauses (ii) and (iii) of this Section 5.13(c).
- (d) Following the recalculation under Section 5.13(b) or (c), the Disability Benefits under Article 5 shall continue to be paid to the Participant following his or her Normal Retirement Date in the same form as such Benefits were being paid prior to the Participant's Normal Retirement Date (i.e., either in the normal form or under the contingent annuitant option), but only to the extent necessary to provide that the Disability Benefits under Article 5 and the retirement benefits under Article 6 (including for this purpose any retirement benefits payable with respect to the Participant's City Funded Retirement Income Account) are Actuarially Equivalent to

the recalculated Disability Benefits the Participant would have received under Article 5, as computed in accordance with Section 5.13(b) or (c). In the event that the Participant's retirement benefits under Article 6 (including for this purpose any retirement benefits payable with respect to the Participant's City Funded Retirement Income Account) are equal to or greater than such recalculated Disability Benefit, then all Disability Benefits payable under this Article 5 shall cease on the Participant's Normal Retirement Date.

- (e) In the case of a Participant who becomes Disabled on or after reaching his or her Normal Retirement Date, the Participant's Disability Benefits under this Plan shall be equal to the Participant's Disability Benefits, as computed under Article 5, less the sum of the Participant's Accrued Pension Benefit under Article 6 and, if applicable, the amount of his or her City Funded Retirement Income Account. For purposes of this calculation, the Participant's Accrued Pension Benefit and City Funded Retirement Income Account shall be expressed in the form in which Disability Benefits are payable to the Participant. Following such calculation, the Disability Benefits under Article 5 shall immediately commence to the Participant in accordance with the provisions of this Article 5. In the event that the Participant's retirement benefits under Article 6 (including for this purpose any retirement benefits payable with respect to the Participant's City Funded Retirement Income Account) are equal to or greater than the Disability Benefit computed in accordance with this paragraph, then no Disability Benefits shall be payable under this Article 5.
- (f) For purposes of the determinations required under this Section 5.13:
 - (1) The amount of retirement income that is payable with respect to a Participant's City Funded Retirement Income Account (based on the value as of the Date of Adoption and any subsequent Investment Adjustments) shall be determined by the Actuary using the Actuarial Equivalence for Disabled Participants (for determining Actuarial Equivalence under Section 5.13) set forth in Appendix A, as in effect on the Participant's Normal Retirement Date (for purposes of Section 5.13(b), (c) and (d)) or Disability Retirement Date (for purposes of Section 5.13(d)).

- (2) In the case of a Participant whose Accrued Pension Benefit is subject to a qualified domestic relations order (within the meaning of Section 13.3(c)(5)), such qualified domestic relations order shall be ignored in determining the amount of the Participant's Accrued Pension Benefit under Article 6 (so that the Participant's entire Accrued Pension Benefit is taken into account in determining the extent to which the Participant's retirement benefits are equal to or greater than the Participant's recalculated Disability Benefit and the amount of any Disability Benefit payable to the Participant following his or her Normal Retirement Date or Disability Retirement Date, as the case may be).

- (3) In the case of a Participant whose Retirement Income Account is subject to a qualified domestic relations order (within the meaning of Section 13.3(c)(5)), such qualified domestic relations order shall be ignored in determining the amount of retirement income that is payable with respect to a Participant's City Funded Retirement Income Account. To the extent that the Participant's Retirement Income Account has been divided into separate accounts pursuant to a qualified domestic relations order, the amount of retirement income that is payable with respect to a Participant's City Funded Retirement Income Account shall be determined by including in the value of the Participant's City Funded Retirement Income Account an amount equal to (i) the portion of the Participant's City Funded Retirement Income Account assigned to the alternate payee, and (ii) imputed earnings on such amount, computed based on the interest rate used for determining Actuarial Equivalence under Appendix A (as in effect on the date such determination is being made), from the date of assignment to the Participant's Normal Retirement Date or Disability Retirement Date, as the case may be.

FIFTEENTH CHANGE

Section 5.16 is hereby amended to read as follows:

5.16 Cost of Living Adjustment

Disability Benefits payable pursuant to Section 5.7, 5.8, 5.9, 5.10 or 5.13 shall be adjusted beginning May 1, 2005 for changes in the cost of living in accordance with the provisions of Section 6.11.

Notwithstanding anything to the contrary, effective for Disability Benefits payable with respect to a Participant who applied for a Disability Benefit on or after [October 23, 2013], (i) Disability Benefits payable pursuant to Section 5.8, 5.10, 5.13 or 5.15 with respect to a Non-Service Connected Partial Disability or a Non-Service Connected Total and Permanent Disability shall not be adjusted for changes in the cost of living in accordance with the provisions of Section 6.11, and (ii) Disability Benefits payable pursuant to Section 5.7, 5.9, 5.13 or 5.15 with respect to a Service Connected Partial Disability or a Service Connected Total and Permanent Disability shall only be adjusted for changes in the cost of living in accordance with the provisions of Section 6.11 during the first five (5) years after the Participant's Disability Retirement Date (and after the Participant becomes eligible to receive a cost of living adjustment). To the extent that more than five years has elapsed since the Participant became eligible to receive a cost of living adjustment at the time Section 5.13 or 5.15 applies, no further cost of living adjustment shall be made with respect to any continuing Disability Benefit under Section 5.13 or 5.15.

SIXTEENTH CHANGE

Section 6.1(b) is hereby amended to read as follows:

- (b) The amount of such monthly benefit shall equal to:
 - (1) In the case of a Participant whose Employment Commencement Date was prior to [October 23, 2013],
 - (i) 2.5% of the Participant's Average Monthly Compensation, multiplied by the number of the Participant's Years of Credited Service up to a maximum of 20 years, plus
 - (ii) 3.2% of the Participant's Average Monthly Compensation, multiplied by the number of the Participant's Years of Credited Service in excess of 20 years, but not in excess of 30 years (i.e., up to a maximum of 10 years).

- (2) In the case of a Participant whose Employment Commencement Date or Reemployment Commencement Date was on or after [October 23, 2013], 2.5% of the Participant's Average Monthly Compensation, multiplied by the number of the Participant's Years of Credited Service.

If a Participant whose Reemployment Commencement Date is on or after [October 23, 2013] has Years Of Credited Service earned before and after [October 23, 2013], the benefit payable with respect to Years of Credited Service earned prior to the Participant's Reemployment Commencement Date shall be determined in accordance with subsection (b)(1) and the benefit payable with respect to Years of Credited Service earned on or after the Participant's Reemployment Commencement Date shall be determined in accordance with subsection (b)(2).

Notwithstanding anything to the contrary, in no event shall a Participant's monthly allowance under Section 6.1(b)(1) exceed 82% of the Participant's Average Monthly Compensation. In addition, if a Participant whose Reemployment Commencement Date is on or after [October 23, 2013] has Years Of Credited Service earned before and after [October 23, 2013], the Participant's monthly allowance under both Section 6.1(b)(1) and (b)(2) shall not exceed 82% of the Participant's Average Monthly Compensation.

SEVENTEENTH CHANGE

Section 6.4(a) is hereby amended to read as follows:

(a) **Eligibility For DROP**

A Participant who has completed at least 30 Years of Credited Service and whose Employment Commencement Date was prior to [October 23, 2013] may voluntarily elect, pursuant to this Section 6.4, to retire for purposes of calculating his or her Accrued Pension Benefit, continue working as a Covered Employee for a period of up to 3 years, and defer commencement of his or her Accrued Pension Benefit until his or her DROP Retirement Date. The deferred benefit will be credited to the Participant's DROP Account and credited with interest in accordance with Section 6.4(e). In order for the DROP Election to be effective, the eligible Participant must complete and execute an election and release on a form supplied by the

Administrator, and such election and release must be valid and binding on the Participant in accordance with its terms.

A Participant who does not elect to participate in the DROP in accordance with the provisions of this Section 6.4 when first eligible, may elect to participate at any time thereafter prior to his or her Termination Date or Disability Retirement Date.

A Participant whose Employment Commencement Date or Reemployment Commencement Date was on or after [October 23, 2013] shall not be eligible for the DROP.

EIGHTEENTH CHANGE

Section 6.4(e)(3) is hereby amended to read as follows:

- (3) In the case of a Participant whose DROP Effective Date was on or before [October 31, 2013], as of the last day of each full calendar month that has elapsed since the DROP Effective Date and continuing until (but not including) the Participant's DROP Retirement Date, a Participant's DROP Account shall be credited with interest for such full calendar month at the rate of 3%, compounded annually. No interest shall be credited on or after the Participant's DROP Retirement Date or for any period less than a full calendar month. No interest shall be credited to the DROP Account of a Participant whose DROP Effective Date was on or after [November 1, 2013].

NINETEENTH CHANGE

Section 6.11(a) is hereby amended to read as follows:

- (a) Subject to the provisions of Section 6.11(b) and Section 6.8, and the limitations of Section 5.16, (i) any benefit payable as an annuity under Sections 6.1, 6.2, 6.3, 6.4, 6.5, 6.6 or 6.9(b) or (f) or any benefit payable (including a benefit payable under any of the optional forms permitted under Section 7.2(a) or (b)) with respect to a Participant's Accrued Pension Benefit, or (ii) any Disability Benefit payable under Section 5.7, 5.8, 5.9, 5.10 or 5.13 shall be increased or decreased as of May 1 of each year by multiplying the benefit, as determined immediately prior to the adjustment (including any prior cost-of-living adjustments made pursuant to this Section 6.11), by a fraction,

- (1) whose numerator is the CPI for the month of January of the current fiscal year; and
- (2) whose denominator is the CPI for the month of January of the preceding fiscal year.

The resulting adjustment may increase or decrease the benefit payable to a Participant or Beneficiary.

TWENTIETH CHANGE

Section 6.11(b)(6)(i) is hereby amended to read as follows

- (i) Separate cost of living adjustment shall be made with respect to the payment of the Participant's Disability Benefit and Accrued Pension Benefit following the Participant's Normal Retirement Date (subject to all of the limitations and provisions of Section 5.16 and this Section 6.11).

TWENTY-FIRST CHANGE

Section 6.11(b)(7)(i) is hereby amended to read as follows

- (ii) Separate cost of living adjustment shall be made with respect to the payment of the Participant's Disability Benefit and Accrued Pension Benefit following the Participant's Disability Retirement Date (subject to all of the limitations and provisions of Section 5.16 and this Section 6.11).

TWENTY-SECOND CHANGE

Section 10.6 is hereby amended to read as follows:

10.6 Administrator

In the absence of any designation to the contrary by the City Manager, the City Manager shall serve as the Administrator.

The City Manager may designate and appoint one or more persons who are employed by the City to act as Administrator. If more than one person is designated as the Administrator by the City Manager, the committee thus formed shall serve as Administrator with respect to the functions delegated to such person or committee.

The City Manager may designate and appoint one or more persons or one or more committees (called an Administrative Committee) to

perform specific administrative functions with respect to the administration of the Plan. To the extent that the City Manager assigns different administrative functions to different persons or Administrative Committees, the City Manager shall outline, in writing, the specific responsibilities of each such person or Administrative Committee. The authority of such person or Administrative Committee shall be limited to the specific administrative functions delegated to such person or Administrative Committee by the City Manager and shall not extend to any other functions of the City Manager in his or her capacity as Administrator.

All references in the Plan to the Administrator shall be deemed to apply separately to each such person or Administrative Committee (within the scope of their assigned area of administrative responsibility).

The person(s) or Administrative Committee(s) designated as the Administrator by the City Manager shall have full power and authority to administer and operate the Plan with respect to the specific administrative functions assigned to such person(s) or Administrative Committee(s) in accordance with the terms of the Plan and in particular the authority contained in Section 10.7, and, in acting pursuant thereto, shall have full power and authority to deal with all persons in any matter directly connected with the operation and administration of the Plan.

Each person and each member of an Administrative Committee designated as the Administrator by the City Manager shall:

- (a) signify in writing the acceptance of his responsibility as Administrator;
- (b) have the right to resign at any time by giving notice in writing, mailed or delivered to the City Manager;
- (c) be deemed to have resigned as an Administrator (or a member of an Administrative Committee) upon his or her termination of employment with the City; and
- (d) shall be subject to removal by the City Manager at any time, with or without cause.

Upon the death, resignation or removal of an Administrator (or a member of an Administrative Committee), the City Manager may appoint a successor. The appointment of a successor shall be made by the City Manager in writing, and the successor shall have all of the rights and privileges and all of the duties and obligations of his predecessor.

If the City Manager has created one or more Administrative Committees to perform the functions of the Administrator, then the City Manager shall designate a Chairman and Secretary from among the members of each such Administrative Committee. The Administrative Committee may adopt reasonable rules for the conduct of its business. A majority of the members then serving as members of the Administrative Committee shall constitute a quorum for the transaction of business. All action taken by the Administrative Committee shall be by vote of a majority of those present at such meeting and entitled to vote. Actions may be taken without a meeting upon written consent signed by at least a majority of the members of the Administrative Committee. All documents, instruments, orders, requests, directions, instructions and other papers shall be executed on behalf of the Administrative Committee by either its Chairman or Secretary, or by any member or agent of the Administrative Committee duly authorized to act on the Committee's behalf.

IN WITNESS WHEREOF, the City has caused this Amendment to be executed by its City Manager on this ____ day of _____, 2013.

CITY OF ALEXANDRIA

By: _____
Rashad M. Young, City Manager