

**CITY OF ALEXANDRIA
SUPPLEMENTAL RETIREMENT PLAN
January 1, 1999 Restatement**

This is an informal working copy of the January 1, 1999 Restatement and the First Amendment adopted December 10, 2002. It reflects the provisions of the Plan effective July 1, 2003. It is not an official Plan document. The provisions of the actual January 1, 1999 Restatement Plan and the First Amendment will govern in the event of any error in this working copy.

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PREAMBLE

The City of Alexandria Supplemental Retirement Plan, originally effective as of August 1, 1970, is hereby amended and restated in its entirety. The Plan, as amended and restated hereby, is intended to qualify as a defined benefit pension plan under Code Section 401(a) and is a governmental plan under Section 3(32) of the Employee Retirement Income Security Act of 1974, as amended. The Plan is maintained for the exclusive benefit of eligible employees and their beneficiaries.

Except as otherwise specifically provided in the Plan, this amended and restated Plan shall be effective as of January 1, 1999, and the rights of any person who did not have an Hour of Service under the Plan on or after January 1, 1999, shall generally be determined in accordance with the terms of the Plan as in effect on the date for which he was last credited with an Hour of Service.

Notwithstanding the foregoing, the following special effective dates shall apply:

- (a) The provision protecting veterans re-employment rights in Article XVI is effective December 12, 1994.
- (b) The limitations on retirement benefits in Article XI are effective for limitation years beginning on or after January 1, 1995.
- (c) The change in the definition of "leased employee" in the definition of "Employee" in Article I is effective for Plan Years beginning on or after January 1, 1997.
- (d) Part-time employees were eligible to participate effective July 1, 1999.
- (e) Provisions relating to direct rollovers as set forth in Section 10.5 were added effective January 1, 1992.

Any provision which is contained in this amended and restated Plan (as the same may be further amended from time to time) and which is required to be effective before January 1, 1999, in order to retain the qualification of the Plan under Section 401(a) of the Code shall, nevertheless, be effective as of its required effective date under the Code.

ARTICLE I DEFINITIONS

1.1 Plan Definitions

As used herein, the following words and phrases, when they appear with initial letters capitalized as indicated below, have the meanings hereinafter set forth:

- (a) An "**Active Participant**" means a Participant who is accruing Credited Service under the Plan in accordance with the provisions of Article II.
- (b) A Participant's "**Accrued Benefit**" shall mean, as of any date prior to the Participant's Normal Retirement Date, a monthly benefit, commencing on the Participant's Normal Retirement Date and continuing for his life, calculated in the same manner as a normal retirement benefit and based upon the Credited Service earned by such Participant and the Participant's Average Earnings as of the date of determination. As of the Participant's Normal Retirement Date, the Participant's Accrued Benefit shall be the monthly retirement benefit described in Section 4.2.
- (c) A Participant's "**Accumulated Contributions**" as of any date means the sum of the following:
 - (1) the total of the Participant's Mandatory Employee Contributions, plus interest;
 - (2) the total of the Participant's Pick Up Contributions, plus interest; and
 - (3) the total of the Participant's Supplemental Employee Contributions, plus interest.

A Participant's Accumulated Contributions shall include any amount contributed by the City as a Pick-Up Contribution, notwithstanding that the amount of such Pick-Up Contribution was funded by the City and was not withheld from the Employee's compensation.

Interest on a Participant's Mandatory Employee Contributions and Pick Up Contributions shall be compounded annually from the end of the Plan Year for which the contribution was made to the first day of the month coinciding with or immediately preceding the date of determination as follows:

- (1) For contributions made prior to July 1, 1982, at two percent.
- (2) For contributions made on or after July 1, 1982, with respect to periods prior to July 1, 1990, at five percent.

- (3) For contributions made on or after July 1, 1982, with respect to periods after June 30, 1990, at 120 percent of the Federal mid-term rate as in effect under Code Section 1274 for the first month of the Plan Year.

Interest on a Participant's Supplemental Employee Contributions shall be compounded annually from the end of the Plan Year for which the contribution was made to the first day of the month coinciding with or immediately preceding the date of determination at two percent.

- (d) The "**Actuarial Equivalent**" of a value means the actuarial equivalent determined using the UP 1984 Group Mortality Table, with no set backs, and PBGC interest rates used at the beginning of each Plan Year, except that in determining the present value of a Participant's Accrued Benefit under the Plan for purposes of a single sum payment, the following factors shall be used: (i) the table prescribed by the Secretary of the Treasury, which shall be based on the prevailing commissioners' standard table, described in Code Section 807(d)(5)(A), used to determine reserves for group annuity contracts issued on the date as of which present value is being determined (without regard to any other subparagraph of Code Section 807(d)(5)) and (ii) the annual rate of interest on 30-year Treasury securities for the second calendar month preceding the Plan Year in which the distribution is made.

Notwithstanding the foregoing, for a Participant whose Annuity Starting Date occurs during the period beginning on January 1, 2000, and ending one year after the later of (i) January 1, 2000 or (ii) the date this amendment and restatement is adopted, the present value of a Participant's Accrued Benefit the following factors shall be used: (i) the UP-1984 Group Mortality Table and (ii) the "PBGC interest rate" in effect for such Annuity Starting Date under the terms of the Plan immediately prior to January 1, 2000, if those factors provide a larger present value.

For purposes of this paragraph, the "PBGC interest rate" means the immediate or deferred rates utilized by the Pension Benefit Guaranty Corporation for purposes of determining the present value of a lump sum distribution on plan termination as in effect at the beginning of the Plan Year in which the present value of the Participant's benefit is being determined. For Participants who have reached Normal Retirement Date at the time present value is being determined, the PBGC interest rate shall be the immediate rate. For Participants who have not yet reached Normal Retirement Date at the time present value is being determined, the PBGC rate shall be the deferred rate.

- (e) The "**Actuary**" means an independent actuary selected by the City, who is an enrolled actuary as defined in Code Section 7701(a)(35), or a firm or corporation of actuaries having such a person on its staff, which person, firm, or corporation is to serve as the actuarial consultant for the Plan.
- (f) The "**Administrator**" means the Director of Personnel of the City, as provided in Section 2-5-54(d) of the City of Alexandria Code of Ordinances.

- (g) An "**Affiliate**" means any agency, instrumentality or other entity which must be aggregated with the City for a relevant purpose under Code Section 414.
- (h) A Participant's, or Beneficiary's, if the Participant has died, "**Annuity Starting Date**" means the first day of the first period for which an amount is paid as an annuity or, in the case of a single sum payment, the first day on which all events have occurred which entitle the Participant, or his Beneficiary, if applicable, to such benefit.

If a Participant whose Annuity Starting Date has occurred is reemployed by the City resulting in a suspension of benefits in accordance with the provisions of Section 10.1, for purposes of determining the form of payment of such Participant's benefit upon his subsequent retirement, such prior Annuity Starting Date shall apply to benefits accrued both before and after the Participant's reemployment.

- (i) A Participant's "**Average Earnings**" means his highest average Earnings received for any three consecutive December 1sts (or such Consecutive December 1sts in which he was an Active Participant, if fewer than three) during his period of employment with the City divided by twelve.
- (j) A Participant's "**Beneficiary**" means the person designated by the Participant (or otherwise entitled under the terms of the Plan) to receive benefits after the death of a Participant in accordance with and subject to the terms of the Plan.
- (k) "**City**" means the City of Alexandria. Where required by the context of the Plan, the term City shall also include the Commonwealth of Virginia Department of Health, Division of Community Health Services with respect to employees who work for the Alexandria Health Department.
- (l) "**City Council**" means the Alexandria City Council.
- (m) The "**Code**" means the Internal Revenue Code of 1986, as amended from time to time. Reference to a Code section shall include (i) such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section and (ii) all rulings, regulations, notices, announcements, and other pronouncements issued by the U.S. Treasury Department, the Internal Revenue Service, and any court of competent jurisdiction that relate to such section and that are applicable to governmental plans.
- (n) A Participant's "**Credited Service**" means his period of service for purposes of determining the amount of any benefit for which he is eligible under the Plan, as computed in accordance with the provisions of Article III.
- (o) The "**Earnings**" for a Full-Time Participant means his rate of annual basic compensation from the City for services as an Employee as of the latest December 1, excluding

overtime, commissions, bonuses, and other additional compensation. If a Participant is not employed on such date, his Earnings is his fixed rate of compensation on his Entry Date, translated to an annual basis. Earnings for a Part-Time Employee means the annual rate of basic compensation (excluding overtime, commissions, bonuses, and other additional compensation) applicable to a Full-Time employee in the same position for services as an Employee as of the latest December 1. Earnings for a member of the City Council means the rate of annual basic compensation as in effect on July 1, 2003 (and thereafter as of the latest December 1) that is paid to a member of the City Council and treated as wages under Section 3401(a) of the Code.

Effective as of January 1, 1996, Compensation with respect to any Plan Year shall in no event exceed the dollar limit specified in Code Section 401(a)(17) (as adjusted from time to time by the Secretary of the Treasury).

(p) An "**Employee**" means

- (1) A member of the City Council (a "**City Employee**").
- (2) Any individual who is treated by the City as a regular Full-Time or Part-Time employee of the City for payroll purposes other than (i) a police officer or firefighter covered by another pension plan to which the City makes contributions or (ii) any employee of the city school system (also a "**City Employee**").
- (3) Any individual employed by the Commonwealth of Virginia Department of Health, Division of Community Health Services who works for the Alexandria Health Department on a full-time basis (a "**Health Department Employee**").

For this purpose, a "Full-Time Employee" means any member of the City Council and any other City Employee who is classified and treated by the City as a full-time employee. The term "Full-Time Employee" also includes any Health Department Employee who is treated by the City as a full-time employee for purposes of this Plan. A "Part-Time Employee" means any City Employee who is classified and treated by the City as a part-time employee and who is scheduled to work at least twenty (20) hours per week. The term "Part-Time Employee" does not include any Health Department Employee.

For purposes of the Plan, a member of the City Council is deemed to be in the employment of the City during the period he is serving as a member of the City Council.

Seasonal employees and employees who are not classified and treated by the City or the Commonwealth of Virginia, Department of Health as regular employees are not considered "Employees" for purposes of the Plan and are not eligible to participate in the Plan.

For purposes of the Plan, any "leased employee," other than an excludable leased employee, shall be treated as an employee of the City; provided, however, that no "leased employee" shall become an Employee or shall accrue a benefit hereunder based on service as a "leased employee".

A "leased employee" means any person who performs services for the City (the "recipient") (other than an employee of the recipient) pursuant to an agreement between the recipient and any other person (the "leasing organization") on a substantially full-time basis for a period of at least one (1) year, provided that such services are performed under the primary direction or control of the recipient. An "excludable leased employee" means any leased employee of the recipient who is covered by a money purchase pension plan maintained by the leasing organization which provides for (i) a nonintegrated employer contribution on behalf of each participant in the plan equal to at least ten percent of compensation, (ii) full and immediate vesting, and (iii) immediate participation by employees of the leasing organization (other than employees who perform substantially all of their services for the leasing organization or whose compensation from the leasing organization in each plan year during the four-year period ending with the plan year is less than \$1,000); provided, however, that leased employees do not constitute more than 20 percent of the recipient's nonhighly compensated work force. For purposes of this Section, contributions or benefits provided to a leased employee by the leasing organization that are attributable to services performed for the recipient shall be treated as provided by the recipient.

Notwithstanding anything to the contrary, the term Employee shall not include any individual classified by the City as working or providing services in a capacity other than as an Employee (including, without limitation, a person classified as an independent contractor or any person performing services for the City under a contract between the City and a leasing or other third party organization), notwithstanding the later reclassification, by a court or any governmental agency, of the person as a common law employee of the City.

- (q) A Participant's "**Employee Derived Benefit**" as of any date means an amount equal to the Participant's Accumulated Contributions expressed in the normal form of benefit as a monthly benefit commencing at Normal Retirement Date. A Participant's Employee Derived Benefit shall be deemed to include Pick-Up Contributions funded by the City notwithstanding that such amount was not withheld from the Employee's compensation.
- (r) A Participant's "**Employer Derived Benefit**" as of any date means the excess, if any, of his Accrued Benefit as of such date over his Employee Derived Benefit as of such date.
- (s) An Employee's "**Employment Commencement Date**" means the date he first completes an Hour of Service or, in the case of an Employee who has incurred an Employment Severance Date, the first date following his Employment Severance Date on which he again completes an Hour of Service. In the case of the City Council, the Employment

Commencement Date means the date on which a member is sworn in as and officially becomes a member of the City Council.

- (t) An Employee's "**Employment Severance Date**" means the date on which he retires, dies, or his active employment as an Employee is otherwise terminated. An Employee's Employment Severance Date is deemed to have occur on the last day on which he is actively at work for the City; provided, however, that his Employment Severance Date shall not occur due to absence from active work because of sickness, injury, leave of absence, or layoff, unless or until he retires, dies, or his employment it otherwise terminated. Notwithstanding the foregoing, an Employee's Employment Severance Date shall not occur if he is absent from work with the City on account of service with the armed forces of the United States, he is eligible for reemployment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994, and he returns to work with the City within the period during which he retains such reemployment rights, but, if he does not return to work within such period, his Employment Severance Date shall be the date his absence commenced. A member of the City Council shall be deemed to have reached his Employment Severance Date on the day he ceases to be a member of the City Council.
- (u) An "**Entry Date**" means the first day of each calendar month.
- (v) The "**Funding Agent**" means the person or persons which at the time shall be designated, qualified, and acting under the Funding Agreement and shall include (i) any trustee for a trust established pursuant to the Funding Agreement, (ii) any insurance company that issues an annuity or insurance contract pursuant to the Funding Agreement, or (iii) any person holding assets in a custodial account pursuant to the Funding Agreement. The City may designate a person or persons other than the Funding Agent to perform any responsibilities of the Funding Agent under the Plan, and the Funding Agent shall not be liable for the performance of such person in carrying out such responsibilities. The term Funding Agent shall include any delegate of the Funding Agent as may be provided in the Funding Agreement.
- (w) The "**Funding Agreement**" means the agreement entered into between the City and the Funding Agent relating to the holding, investment, and reinvestment of the assets of the Plan, together with all amendments thereto and shall include any agreement establishing a trust, a custodial account, an annuity contract, or an insurance contract (other than a life, health or accident, property, casualty, or liability insurance contract) for the investment of assets; provided, however, that any custodial account or contract established hereunder meets the requirements of Code Section 401(f).
- (x) An "**Hour of Service**" with respect to any Employee means each hour for which he is paid, or entitled to payment, for the performance of duties for the City as an Employee.
- (y) A Participant's "**Mandatory Employee Contributions**" mean

- (1) with respect to Participants who are Health Department Employees, the after-tax contributions required to be made by a Participant to accrue a benefit hereunder.
 - (2) with respect to Participants who are City Employees, the after-tax contributions made by the Participant prior to July 1, 1982 to accrue a benefit under the Plan as in effect prior to such date.
- (z) A Participant's "**Normal Retirement Date**" means,
- (1) with respect to Full-Time Employees, for purposes of benefit eligibility, the earlier of (i) date he attains age 65, or (ii) the date he attains age 55 with 30 years of Service, and for all other purposes, the first day of the month coinciding with or immediately following such date.
 - (2) with respect to Part-Time Employees, for purposes of benefit eligibility, the later of (i) the date he attains age 65, or (ii) the fifth anniversary of his "participation commencement date" and for all other purposes, the first day of the month coinciding with or immediately following such date.
- (aa) A Participant's "**Past Service Compensation**" means 1/12th of his fixed annual pay as of July 22, 1970, excluding bonuses, commissions, overtime and other special compensation.
- (bb) A "**Participant**" means any person who becomes eligible to participate in the Plan in accordance with the provisions of Article III and who retains an Accrued Benefit under the Plan.
- (cc) The "**Pension Fund**" means the fund or funds maintained under the Funding Agreement for purposes of accumulating contributions made by the City and Employees and paying benefits under the Plan.
- (dd) A Participant's "**Pick Up Contributions**" mean the contributions contributed by the City to the Plan on behalf of the Participant and which are treated as employer contributions pursuant to Code Section 414(h)(2).
- (ee) The "**Plan**" means this City of Alexandria Supplemental Retirement Plan, established effective August 1, 1970, as amended and restated by this instrument, with all amendments, modifications, and supplements hereafter made.
- (ff) A "**Plan Year**" means the 12-consecutive-month period ending each December 31.
- (gg) A Participant's "**Required Beginning Date**" means the April 1 following the calendar year in which occurs the later of the Participant's (i) attainment of age 70 1/2 or (ii) the date the Participant retires.

- (hh) A Participant's "**Service**" means his period of service for purposes of determining his eligibility for a benefit under the Plan, as computed in accordance with the provisions of Article II.
- (ii) A Participant's "**Supplemental Employee Contributions**" mean the after-tax contributions he made to the Plan in addition to his Mandatory Employee Contributions prior to February 1, 1972, pursuant to his election filed with the City prior to February 1, 1971.
- (jj) A Participant's "**Spouse**" means the person who is the Participant's lawful spouse.

1.2 Construction

Where required by the context, the noun, verb, adjective, and adverb forms of each defined term shall include any of its other forms. Wherever used herein, the masculine pronoun shall include the feminine, the singular shall include the plural, and the plural shall include the singular. The Plan is intended to comply with all applicable requirements for qualification of a governmental plan under Code Section 401(a) and if any provision of the Plan is subject to more than one interpretation or construction, such ambiguity shall be resolved in favor of that interpretation or construction which is consistent with the plan being so qualified.

ARTICLE II
SERVICE & CREDITED SERVICE

2.1 Service and Credited Service

Each person who is an Employee shall be credited with Service and Credited Service for purposes of the Plan as follows:

- (a) Service shall be computed in completed full years treating each 365 days of Service as a completed full year of Service.
- (b) If he is a Full-Time Employee, he shall be credited with Service and Credited Service for the period beginning on his Employment Commencement Date and ending on his Employment Severance Date. Credited Service shall be computed in completed full years and fractions of years treating each full month for which he is credited with Credited Service as 1/12th year of Credited Service. If a Full-Time Employee is credited with Credited Service for a portion of a month that is equal to at least 15 days, his Credited Service shall be rounded up to the next highest 1/12th.
- (c) If he is a Part-Time Employee, he shall be credited with Service and Credited Service for the period beginning on the later to occur of (i) July 1, 1999 or (ii) his Employment Commencement Date and ending on his Employment Severance Date. Credited Service for a Part-Time Employee will be based on the Employee's regularly scheduled hours as of December 1 divided by 2,080. Monthly Credited Service for a Part-Time Employee shall be determined by further dividing the Employee's pro-rated Credited Service by 12; provided however, if a Part-Time Employee is credited with Credited Service for a portion of a month that is equal to at least 15 days, he shall be deemed to have worked for the entire month his Credited Service (so that the divisor for such month will be 1/12th notwithstanding that the Employee was not credited with Credited Service for the entire month). If an employee who is regularly scheduled to work less than 20 hours a week becomes regularly scheduled to work 20 or more hours a week after December 1 of a year and enters the Plan at that time, such Employee's Credited Service for his initial year of participation will be based on the number of hours the Employee is regularly scheduled to work on his Entry Date.
- (d) A Part-Time Employee who suspends his regular position to accept a temporary summer, seasonal position with the City at an increased rate of compensation or additional hours of work and who returns to his regular part-time position will receive credit for Service completed in such temporary summer, seasonal position. However, the Part-Time Employee shall not accrue Credited Service with respect to such temporary summer, seasonal position.
- (e) A Part-Time Employee who becomes a Full-Time Employee shall receive credit for Service as a Part-Time Employee from the later to occur of (i) July 1, 1999 or (ii) his

Employment Commencement Date through his Employment Severance Date without regard to the pro-ration requirement contained in Section 2.1 (c). However, Credited Service completed as a Part-Time Employee shall continue to be computed in accordance with the pro-ration rules contained in Section 2.1(c).

- (f) Notwithstanding the foregoing, no Service shall be credited to an Employee for periods in which he was required to, but did not, make Mandatory Employee Contributions to the Plan.
- (g) A member of the City Council shall receive credit for Service as a member of the City Council from his Employment Commencement Date through the member's Employment Severance Date. However, Credited Service shall be measured (based on Service as a member of the City Council) from the later of (i) July 1, 2003 or (ii) the Council member's Employment Commencement Date.

2.2 Transfers

Notwithstanding the foregoing, the determination of a Participant's Service and Credited Service shall be subject to the following:

- (a) Any person who transfers or retransfers to employment with the City as an Employee directly from other employment with the City in a capacity other than as an Employee, shall be credited with Service and Credited Service beginning on his transfer date.
- (b) Any person who transfers from employment with the City as an Employee directly to other employment with the City in a capacity other than as an Employee, shall be deemed to have terminated employment with the City for purposes of determining his Service or Credited Service. However, such person shall not be deemed to have terminated his employment as an Employee for other purposes of the Plan until such time as he is no longer in the employment of the City, at which time he shall become entitled to benefits if he is otherwise eligible therefore under the provisions of the Plan.

2.3 Retirement or Termination and Reemployment

If an Employee retires or otherwise terminates employment with the City, his eligibility for and the amount of any benefit to which he may be entitled under the Plan shall be determined based upon the Service and Credited Service with which he is credited at the time of such retirement or other termination of employment. If such retired or former Employee is reemployed by the City, the Service and Credited Service with which he was credited at the time of such prior retirement or other termination of employment shall be aggregated with the Service and Credited Service with which he is credited following his reemployment for purposes of determining his eligibility for and the amount of any benefit to which he may be entitled under the Plan upon his subsequent retirement or other termination of employment if he had a vested interest in his Employer Derived Benefit at the time of his previous retirement or other termination of employment.

Notwithstanding the foregoing, if the Participant received a single sum payment of the present value of his vested Accrued Benefit as provided in Section 8.2 or 10.4 or a distribution of his Accumulated Contributions as provided in Section 9.1, in connection with his prior retirement or termination of employment, his Service and Credited Service credited at the time of such prior retirement or termination of employment shall be lost and shall not be aggregated with the Service and Credited Service credited to the Participant following his reemployment.

Notwithstanding any other provision of this Section, if a retired or former Employee returns to employment in a capacity other than as an Employee, his period of employment shall be treated for the purposes of the Plan solely in accordance with the transfer provisions of this Article II.

2.4 Finality of Determinations

All determinations with respect to the crediting of Service and Credited Service under the Plan shall be made on the basis of the records of the City, and all determinations so made shall be final and conclusive upon Employees, former Employees, and all other persons claiming a benefit interest under the Plan. Notwithstanding anything to the contrary contained in this Article, there shall be no duplication of Service and Credited Service.

ARTICLE III ELIGIBILITY FOR PARTICIPATION

3.1 Participation

Each Employee who was an Active Participant immediately prior to January 1, 1999, shall continue as an Active Participant hereunder. Each other person shall become an Active Participant as of the Entry Date coinciding with or immediately following the date on which he becomes an Employee.

Notwithstanding the foregoing, no person who is a Health Department Employee shall become an Active Participant hereunder unless he makes Mandatory Employee Contributions to the Plan as provided in Section 3.3. A Health Department Employee who would otherwise have become an Active Participant hereunder as of an Entry Date but for his failure to make the required Mandatory Employee Contributions to the Plan shall become an Active Participant as of any subsequent Entry Date as of which he actually begins to make the required Mandatory Employee Contributions to the Plan.

3.2 Pick Up Contributions

Each City Employee who was hired on or after July 1, 1982, or who was hired prior to July 1, 1982 and made a one-time election to continue as an Active Participant hereunder, shall automatically participate in the Plan. The City shall make a Pick Up Contribution on behalf of each City Employee equal to two percent of their Earnings for the Plan Year.

No further Pick Up Contributions shall be made to the Plan on a Participant's behalf on or after the earliest of (1) the Participant's Employment Severance Date, (2) the date the Participant ceases to be an Employee, or (3) the Participant's Annuity Starting Date.

3.3 Mandatory Employee Contributions

A Health Department Employee shall make Mandatory Employee Contributions to the Plan equal to two percent of his Earnings for the Plan Year. A Health Department Employee must authorize the Commonwealth of Virginia to withhold the required Mandatory Employee Contributions to the Plan from his Earnings and to contribute such amounts to the Plan.

Notwithstanding the foregoing, a Health Department Employee shall no longer be required or eligible to make Mandatory Employee Contributions to the Plan beginning on the earliest of (1) the Participant's Employment Severance Date, (2) the date the Participant ceases to be an Employee, or (3) the Participant's Annuity Starting Date.

3.4 Suspension of Mandatory Employee Contributions

A Participant's Mandatory Employee Contributions shall automatically be suspended for any period during which he is not eligible to accrue Credited Service under the Plan. Such

Participant's Mandatory Employee Contributions shall automatically resume as of the date he is once more eligible to accrue Credited Service under the Plan.

A Participant whose Mandatory Employee Contributions are suspended pursuant to this Section shall not accrue a benefit hereunder for the period such suspension is in effect.

3.5 Termination of Participation

A Participant shall remain an Active Participant as long as he continues in employment as an Employee and, if he is a Health Department Employee, he continues to make Mandatory Employee Contributions to the Plan. A person shall remain a Participant as long as he retains an Accrued Benefit under the Plan.

3.6 Participation Upon Reemployment

If a former Employee who was a Participant hereunder is reemployed as an Employee, he shall again become an Active Participant hereunder as of (i) his reemployment date if he is a City Employee or, (ii) the date as of which he begins making the required Mandatory Employee Contributions to the Plan in accordance with the provisions of Section 3.3, if he is a Health Department Employee. If a former Employee who was not a Participant hereunder is reemployed as an Employee, he shall become an Active Participant hereunder on the next Entry Date if he is a City Employee or if he is a Health Department Employee, the date as of which he begins to make Mandatory Employee Contributions to the Plan in accordance with the provisions of Section 3.3.

3.7 Finality of Determinations

All determinations with respect to the eligibility of an Employee to become a Participant under the Plan shall be made by the Administrator on the basis of the records of the City, and all determinations so made by the Administrator shall be final and conclusive for all Plan purposes. Each Employee who becomes a Participant shall be entitled to the benefits, and be bound by all the terms, provisions, and conditions of the Plan and the Funding Agreement.

**ARTICLE IV
NORMAL RETIREMENT**

4.1 Eligibility

Each Participant who retires from employment with the City on or after his Normal Retirement Date shall be eligible for a normal retirement benefit. A Participant who continues in employment with the City after his Normal Retirement Date shall not be entitled to receive any benefits hereunder until his actual retirement date.

4.2 Amount

An eligible Participant's monthly normal retirement benefit shall be equal to the sum of his basic pension benefit determined under paragraph (a) below and, if applicable, his supplemental pension benefit determined under paragraph (b) below.

- (a) An eligible Participant's basic pension benefit is equal to the sum of (1) and (2) below:
- (1) For Credited Service earned prior to January 1, 1988, the sum of (i) and (ii), increased by the percentage in (iii) below:
- (i) 1.625 percent of the Participant's Past Service Compensation up to \$100.00, plus 0.250 percent of the Participant's Past Service Compensation in excess of \$100.00, multiplied by his number of years of Credited Service earned after July 31, 1960, but prior to August 1, 1970; plus
- (ii) 1.625 percent of the Participant's Average Earnings up to 100.00, plus 0.250 percent of the Participant's Average Earnings in excess of \$100.00, multiplied by his number of years of Credited Service earned after July 31, 1970, but prior to January 1, 1988;
- increased by
- (iii) 50 percent.
- plus
- (2) 0.80 percent of his Average Earnings multiplied by his years of Credited Service earned after December 31, 1987.
- (b) A supplemental pension benefit shall only be payable with respect to a Participant who made Supplemental Employee Contributions to the Plan. An eligible Participant's supplemental pension benefit is equal to: (1) 1.625 percent of the Participant's Past

Service Compensation up to \$100.00, plus 0.250 percent of the Participant's Past Service Compensation in excess of \$100.00, multiplied by (2) his number of years of Credited Service earned immediately prior to August 1, 1960.

In no event will a reduction in a Participant's Average Earnings reduce the normal retirement benefit payable to him below the amount that would have been payable to him under the same form of payment had he retired prior to his Normal Retirement Date when eligible for an early retirement benefit.

4.3 Minimum Benefits

Notwithstanding any other provision of the Plan to the contrary, in the case of a Participant who does not receive a return of his Accumulated Contributions, in no event will the monthly normal retirement benefit payable to a Participant be less than his Employee Derived Benefit.

4.4 Adjustment to Normal Retirement Benefit for Employment After Normal Retirement Date

The monthly retirement benefit payable with respect to each Participant who continues in employment with the City after Normal Retirement Date shall be determined as provided in paragraph (a), and if applicable paragraph (b) below:

- (a) the Participant's Accrued Benefit as of the date such benefit is being determined in accordance with paragraph (a) of Section 4.1; plus
- (b) if he is eligible for a supplemental pension benefit, the sum of item (1) plus item (2):
 - (1) 50 percent of his supplemental pension benefit determined under paragraph (b) of Section 4.2 as of his Normal Retirement Date multiplied by the late retirement factor shown in the Table attached to the Plan based on the number of years by which his Annuity Starting Date follows his Normal Retirement Date.
 - (2) The balance of his supplemental pension determined under paragraph (b) of Section 4.2 as of his Normal Retirement Date.

No further adjustments shall be made to a Participant's monthly normal retirement benefit after his Annuity Starting Date, and, if he continues to accrue benefits under the Plan, such continued accruals shall be reduced as provided in Section 10.7.

4.5 Payment

A monthly normal retirement benefit shall be paid to an eligible Participant commencing as of the first day of the month following the later of the month in which he retires or the first day of the month for which he applies for the benefit to commence, but not later than the date specified in Section 10.6.

**ARTICLE V
EARLY RETIREMENT**

5.1 Eligibility

Each Participant who retires from employment with the City at or after age 55 with 5 or more years of Service, but prior to his Normal Retirement Date, shall be eligible for an early retirement benefit.

5.2 Amount

An eligible Participant's monthly early retirement benefit shall be equal to his Accrued Benefit on the date of his early retirement; provided, however, that if the Participant has fewer than 30 years of Service at retirement, the amount of such benefit shall be reduced by multiplying such amount by the appropriate early commencement factor determined as provided in the Table attached to the Plan.

5.3 Payment

A monthly early retirement benefit shall be paid to an eligible Participant commencing as of the first day of the month following the later of the month in which he retires or the month in which he makes written application for the benefit, but not later than his Normal Retirement Date.

**ARTICLE VI
VESTED RIGHTS**

6.1 Vesting

A Participant's vested interest in his Employee Derived Benefit shall be at all times 100 percent.

A Participant's vested interest in his Employer Derived Benefit shall be determined in accordance with the following schedule, based upon the number of full years of Service credited to him; provided, however, that a Participant's vested interest in his Employer Derived Benefit shall be 100 percent if he is employed by the City on his Normal Retirement Date; or, if he is a Full-Time Employee, if he is employed by the City on the date he attains age 60.

Years of Service	Vested Interest
less than five	0%
five or more	100%

6.2 Eligibility for Deferred Vested Retirement Benefit

Each Participant who terminates employment with the City, who has a vested interest in his Employer Derived Benefit, and who is not eligible for any other retirement benefit under the Plan shall be eligible for a deferred vested retirement benefit.

6.3 Amount of Deferred Vested Retirement Benefit

An eligible Participant's deferred vested retirement benefit shall be equal to his Accrued Benefit determined as of the date of his termination of employment and payable commencing on his Normal Retirement Date.

6.4 Payment

A monthly deferred vested retirement benefit shall be paid to an eligible Participant commencing as of his Normal Retirement Date; provided, however, that a Participant may elect to begin benefit payments as of the first day of any month following the month in which he attains age 55; and further provided that if the Participant has fewer than 30 years of Service at retirement, the amount of such benefit shall be reduced by multiplying such amount by the appropriate early commencement factor determined as provided in the Table attached to the Plan.

ARTICLE VII DISABILITY BENEFIT

7.1 Eligibility

Each Participant who suffers permanent and total disability while actively employed by the City but prior to his Normal Retirement Date and who has at least five years of Service shall be eligible for a disability benefit. For purposes of this Article, "permanent and total disability" means any physical or mental condition that prevents the Participant from engaging in any substantial gainful activity, as determined by the Administrator, in its discretion, on the basis of medical evidence satisfactory to the Administrator, and who is entitled to disability benefits under Title II of the Social Security Act.

7.2 Amount

An eligible Participant's monthly disability benefit shall be equal to his Accrued Benefit on the date his disability commenced.

7.3 Payment

A monthly disability benefit shall be paid to an eligible Participant commencing as of the first day of the month following the later of:

- (a) the expiration of five months from the date on which his permanent and total disability commenced; or
- (b) the month in which he makes written application for the benefit.

A Participant's Annuity Starting Date will not be deemed to have occurred simply because payment of disability benefits have commenced to him hereunder.

Payment of a monthly disability benefit shall continue to a Participant until his Normal Retirement Date, or until otherwise terminated as hereinafter provided. Any Participant who continuously up to his Normal Retirement Date receives a disability benefit under the Plan shall be deemed for all Plan purposes to have retired upon the occurrence of his Normal Retirement Date and shall be eligible for a normal retirement benefit in an amount determined as provided in Section 4.2, but based on his years of Credited Service and the provisions of the Plan in effect on the date his disability commenced. Upon the occurrence of his Normal Retirement Date, a Participant receiving disability benefits may elect (subject to the rules prescribed by the Administrator) to receive payment of his normal retirement benefit in one of the optional forms of payment provided in Section 8.2

7.4 Termination of Disability Benefit Prior to Normal Retirement Date

Disability benefit payments shall terminate if, prior to the Participant's Normal Retirement Date, the Participant

- (a) ceases to be disabled;
- (b) dies; or
- (c) refuses to undergo a medical examination requested by the Administrator.

If a Participant's disability benefit ceases prior to his Normal Retirement Date, and if he does not return promptly to work with the City, his employment thereupon shall be deemed terminated for all Plan purposes, and he shall be eligible for an early retirement benefit in an amount determined in the same manner as specified in Section 5.2, or a deferred vested retirement benefit in an amount determined in the same manner as specified in Section 6.3, but based on his years of Credited Service and the provisions of the Plan in effect on the date his disability commenced and only if he meets the eligibility requirements for such benefit as in effect on the date his disability commenced. If such Participant's disability benefit ceases prior to his Normal Retirement Date, and if he returns promptly to work with the City, he shall continue as an Employee in accordance with and subject to the remaining provisions of the Plan.

7.5 Medical Examination

In determining whether or not a Participant is or continues to be permanently and totally disabled, the Administrator may require the Participant to submit to a medical examination by a physician acceptable to it. The Administrator may not require a Participant to submit to such an examination more than two times during a 12-month period. If the Participant refuses to submit to such a medical examination, he shall be deemed to have ceased to be disabled hereunder and shall no longer be entitled to disability benefits hereunder.

7.6 Service Crediting While Receiving Disability Benefit

A Participant who is receiving disability benefits hereunder shall not be credited with Service or Credited Service for periods for which he is paid disability benefits hereunder.

ARTICLE VIII FORMS OF PAYMENT

8.1 Normal Form of Payment

A Participant who is eligible to receive any retirement benefit under Section 4.1, 5.1, or 6.2 of the Plan shall receive payment of such benefit in the form of a single life annuity with cash refund. Such Participant shall receive a monthly retirement benefit payable for his lifetime, the last monthly payment being for the month in which his death occurs. Upon the Participant's death, the excess of his Accumulated Contributions determined as of his Annuity Starting Date over the total payments made to the Participant shall be paid to the Participant's surviving Beneficiary in a single sum payment.

Subject to the rules prescribed by the Administrator, a Participant may elect to receive payment of his benefit in one of the optional forms of payment provided in Section 8.2.

8.2 Optional Forms of Payment

Within the election period prescribed by the Administrator, a Participant who is eligible to receive a normal, early, or deferred vested retirement benefit may elect to receive payment of such benefit in accordance with any one of the following options.

If the Participant's Beneficiary under an optional form of payment dies prior to the Participant's Annuity Starting Date, the election shall become inoperative and ineffective, and benefit payments, if any, shall be made under the normal form of payment provided in Section 8.1, unless the Participant elects another optional form of payment prior to his Annuity Starting Date. Once a Participant's Annuity Starting Date occurs, however, the form of payment elected by the Participant will not change even if the Participant's Beneficiary predeceases him.

The monthly payments made under any optional form of payment hereunder shall be the Actuarial Equivalent of the monthly benefit otherwise payable to the Participant in the normal single life annuity with cash refund form described in Section 8.1.

- (a) **Single Life Annuity (no cash refund).** The Participant shall receive an increased monthly retirement benefit payable for his lifetime, the last monthly payment being for the month in which his death occurs. No further benefits shall be payable following the Participant's death.
- (b) **100% Joint and Survivor Annuity.** The Participant shall receive a reduced monthly retirement benefit payable for his lifetime, the last monthly payment being for the month in which his death occurs. If the Participant's Beneficiary survives him, then commencing with the month following the month in which the Participant's death occurs, his Beneficiary shall receive a monthly benefit for his or her remaining lifetime equal to

the reduced amount payable during the Participant's lifetime, the last monthly payment being for the month in which the Beneficiary 's death occurs.

- (c) **66 2/3% Joint and Survivor Annuity.** The Participant shall receive a reduced monthly retirement benefit payable for his lifetime, the last monthly payment being for the month in which his death occurs. If the Participant's Beneficiary survives him, then commencing with the month following the month in which the Participant's death occurs, his Beneficiary shall receive a monthly benefit for his or her remaining lifetime equal to 66 2/3rds percent of the reduced amount payable during the Participant's lifetime, the last monthly payment being for the month in which the Beneficiary 's death occurs.
- (d) **50% Joint and Survivor Annuity.** The Participant shall receive a reduced monthly retirement benefit payable for his lifetime, the last monthly payment being for the month in which his death occurs. If the Participant's Beneficiary survives him, then commencing with the month following the month in which the Participant's death occurs, his Spouse shall receive a monthly benefit for his or her remaining lifetime equal to one-half of the reduced amount payable during the Participant's lifetime, the last monthly payment being for the month in which the Beneficiary 's death occurs.
- (e) **15-Year Certain and Life Annuity.** The Participant shall receive a reduced monthly retirement benefit payable for his lifetime, the last monthly payment being for the month in which his death occurs. If the Participant's death occurs prior to the end of the 15-year period commencing with his Annuity Starting Date, his Beneficiary shall receive a continued monthly benefit equal to such reduced amount for the remainder of such 15-year period. If the Participant's Beneficiary dies after becoming eligible to receive a benefit hereunder, but prior to the end of the 15-year period, the unpaid monthly benefit shall be paid to the Beneficiary designated by the Participant to receive payment in such event or, if none, in accordance with the provisions of Section 8.3.
- (f) **Ten-Year Certain and Life Annuity.** The Participant shall receive a reduced monthly retirement benefit payable for his lifetime, the last monthly payment being for the month in which his death occurs. If the Participant's death occurs prior to the end of the ten-year period commencing with his Annuity Starting Date, his Beneficiary shall receive a continued monthly benefit equal to such reduced amount for the remainder of such ten-year period. If the Participant's Beneficiary dies after becoming eligible to receive a benefit hereunder, but prior to the end of the ten-year period, the unpaid monthly benefit shall be paid to the Beneficiary designated by the Participant to receive payment in such event or, if none, in accordance with the provisions of Section 8.3.
- (g) **Five-Year Certain and Life Annuity.** The Participant shall receive a reduced monthly retirement benefit payable for his lifetime, the last monthly payment being for the month in which his death occurs. If the Participant's death occurs prior to the end of the five-year period commencing with his Annuity Starting Date, his Beneficiary shall receive a continued monthly benefit equal to such reduced amount for the remainder of such five-year period. If the Participant's Beneficiary dies after becoming eligible to receive a

benefit hereunder, but prior to the end of the five-year period, the unpaid monthly benefit shall be paid to the Beneficiary designated by the Participant to receive payment in such event or, if none, in accordance with the provisions of Section 8.3.

- (h) **Single Sum Payment.** The Participant may elect to receive a single sum payment of the full present value of his vested Accrued Benefit in lieu of the form of benefit described in Section 8.1, which is the Actuarial Equivalent thereof. In the case of a Participant who does not receive a return of his Accumulated Contributions, in no event will the single sum payment payable to a Participant be less than his Employee Derived Benefit.

Notwithstanding any other provision of the Plan to the contrary, distribution under an optional form of payment shall be made in accordance with Code Section 401(a)(9) and regulations issued thereunder, including the minimum distribution incidental benefit requirement. If a Participant designates a person other than his Spouse as his Beneficiary under an optional form of payment, and if payments under the optional form elected would not meet the minimum distribution incidental benefit requirement, the payment period (and the monthly amount payable) shall be reduced to the extent necessary to satisfy such requirement.

8.3 Designation of Beneficiary and Beneficiary in Absence of Designated Beneficiary

A Participant's Beneficiary may be any individual or, in the case of a Beneficiary to receive payments for the remainder of a period-certain under the form of payment elected by the Participant, any individuals, trust, or estate, selected by the Participant.

If payment is to be made to a Participant's surviving Beneficiary for the remainder of a period-certain under the form of payment elected by the Participant and no Beneficiary survives or the Participant has not designated a Beneficiary, the Participant's Beneficiary shall be the Participant's surviving Spouse or, if none, the Participant's surviving children in equal shares or, if none, the Participant's estate.

8.4 Notice Regarding Forms of Payment

Subject to the rules prescribed by the Administrator, the Administrator shall provide a Participant with a written description of (i) the terms and conditions of the normal form of payment provided in Section 8.1, (ii) the optional forms of payment provided in Section 8.2, (iii) the Participant's right to elect an optional form of payment and the effect thereof. Subject to the provisions of Code Section 402(f), the Administrator shall provide such explanation within a reasonable period before a Participant's Annuity Starting Date.

8.5 Death Prior to Annuity Starting Date

If a Participant dies prior to his Annuity Starting Date, the only death benefit payable under this Plan is the benefit payable under Section 9.2 and no Beneficiary or any person claiming under or through the Participant shall be entitled to any other benefit under the Plan.

8.6 Effect of Reemployment on Form of Payment

If a Participant who has commenced benefit payments under the Plan is subsequently reemployed, then, following his resumption of participation in this Plan, the determination of his future benefit shall be actuarially reduced or offset, if and as necessary, to avoid duplication of any benefits paid with respect to his prior employment.

ARTICLE IX
RETURN OF ACCUMULATED CONTRIBUTIONS

9.1 Distribution of Accumulated Contributions

Subject to the provisions of Section 10.4, a Participant who terminates employment for reasons other than death may elect to receive, in lieu of any other benefit provided under the Plan, a cash distribution of his Accumulated Contributions at any time prior to the date payment of his retirement benefit begins.

The payment of a Participant's Accumulated Contributions shall be in full satisfaction of any benefit to which the Participant may be entitled to receive under the terms of the Plan.

9.2 Death Benefit

Upon a Participant's death, his Beneficiary may be eligible for a death benefit as provided herein.

- (a) **Death Prior to Commencement of Benefit Payments.** If a Participant dies prior to his Annuity Starting Date and has not previously received distribution of his Accumulated Contributions as provided in Section 9.1, his Beneficiary shall receive a death benefit, payable in a single sum, that is equal to the Participant's Accumulated Contributions determined as of the Participant's date of death.
- (b) **Death After Commencement of Benefit Payments.** If a Participant dies after his Annuity Starting Date and the form of payment elected by the Participant under the provisions of Article VIII does not provide for continued benefits in the event of the Participant's death, the Participant's Beneficiary shall receive a death benefit, payable in a single sum, that is equal to the excess, if any, of (i) the Participant's Accumulated Contributions, determined as of the date benefit payments commenced under the Plan, over (ii) the amount of all benefit payments made under the terms of the Plan either to the Participant and/or his Beneficiary or Spouse under the provisions of Article VIII. No death benefit shall be payable hereunder if the Participant elected the optional single sum life annuity described in paragraph (a) of Section 8.2.
- (c) **Designation of Beneficiary under Section 9.2:** Each Participant may designate in writing any one or more persons as his death beneficiary to receive payment of the death benefit provided under this Section 9.2. Such designation shall be filed with the Administrator and shall be in such form as the Administrator shall require. A Participant at any time and from time to time, whether before or after his retirement or other termination of employment, may change the Beneficiary previously designated by him by filing with the Administrator a new designation in such form as it shall require.

If no Beneficiary shall have been designated by a Participant under this Section, or if all persons designated by him as Beneficiary shall die before becoming entitled to a death benefit hereunder,

then such Participant's Beneficiary shall be his surviving Spouse or, if none, his surviving children in equal shares or, if none, his estate. A Beneficiary designation under this Section shall be separate from any Beneficiary designation under the provisions of Article VIII.

**ARTICLE X
GENERAL PROVISIONS & LIMITATIONS
REGARDING BENEFITS**

10.1 Suspension of Benefits

Subject to the provisions of Section 10.6, if a Participant who is receiving benefits under this Plan resumes employment with the City as an Employee, his benefits shall be suspended until his subsequent retirement, termination of employment or death.

10.2 Non-Alienation of Retirement Rights or Benefits

Except as otherwise required by law, no benefit under the Plan at any time shall be subject in any manner to anticipation, alienation, assignment (either at law or in equity), encumbrance, garnishment, levy, execution, or other legal or equitable process; and no person shall have the power in any manner to anticipate, transfer, assign (either at law or in equity), alienate or subject to attachment, garnishment, levy, execution, or other legal or equitable process, or in any way encumber his benefits under the Plan, or any part thereof, and any attempt to do so shall be void. Notwithstanding the foregoing, retirement benefits hereunder may be reduced pursuant to a domestic relations order approved by the Administrator in accordance with the procedures set forth in Section 13.3.

10.3 Payment of Benefits to Others

If any person to whom a retirement benefit is payable is unable to care for his affairs because of illness or accident, any payment due (unless prior claim therefor shall have been made by a duly qualified guardian or other legal representative) may be paid to the Spouse, parent, brother or sister, or any other individual deemed by the Administrator to be maintaining or responsible for the maintenance of such person. The monthly payment of a retirement benefit to a person for the month in which he dies shall, if not paid to such person prior to his death, be paid to his Spouse, parent, brother, sister, or estate as the Administrator shall determine. Any payment made in accordance with the provisions of this Section shall be a complete discharge of any liability of the Plan with respect to the benefit so paid.

10.4 Payment of Small Benefits; Deemed Cashout

If the Actuarially Equivalent present value of any retirement benefit payable under Section 4.1, 5.1, or 6.2 or any survivor benefit is \$5,000 or less, such Actuarially Equivalent present value shall be paid to the Participant, or his Beneficiary, if applicable, in a single sum payment, in lieu of all other benefits under the Plan, as soon as practicable following the date of the Participant's retirement, death, or other termination of employment and he shall cease to be a Participant under the Plan as of the date of such payment.

A former Participant who received a distribution hereunder, because of his retirement or other termination of employment shall lose the Service and Credited Service with which he was credited at the time of his prior termination of employment or retirement. If such former Participant is reemployed, such prior Service and Credited Service shall not be reinstated.

10.5 Direct Rollovers

Notwithstanding any other provision of the Plan to the contrary, in lieu of receiving a single sum payment as provided in Section 8.2 or Section 10.4, a "qualified distributee" may elect in writing, in accordance with rules prescribed by the Administrator, to have any portion or all of such payment that is an "eligible rollover distribution" paid directly by the Plan to the "eligible retirement plan" designated by the "qualified distributee"; provided, however, that this provision shall not apply if the total distribution is less than \$200 and that a "qualified distributee" may not elect this provision with respect to any partial distribution that is less than \$500. Any such payment by the Plan to another "eligible retirement plan" shall be a direct rollover. For purposes of this Section, the following terms have the following meanings:

- (a) An "eligible retirement plan" means an individual retirement account described in Code Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), or a qualified trust described in Code Section 401(a) that accepts rollovers; provided, however, that, in the case of a direct rollover by a surviving Spouse, an eligible retirement plan does not include a qualified trust described in Code Section 401(a).
- (b) An "eligible rollover distribution" means any distribution of all or any portion of a Participant's Accrued Benefit or a distribution of all or any portion of a survivor benefit under Article VIII or IX to a qualified distributee; provided, however, that an eligible rollover distribution does not include: any distribution of a Participant's Mandatory Employee Contributions; any distribution that is one of a series of substantially equal periodic payments made not less frequently than annually for the life or life expectancy of the qualified distributee or the joint lives or joint life expectancies of the qualified distributee and the qualified distributee's designated beneficiary, or for a specified period of ten years or more; and any distribution to the extent such distribution is required under Code Section 401(a)(9).
- (c) A "qualified distributee" means a Participant, his surviving Spouse, or his Spouse or former Spouse who is an alternate payee under a domestic relations order, as defined in Code Section 414(p).

10.6 Limitations on Commencement

Notwithstanding any other provision of the Plan to the contrary, payment of a Participant's retirement benefit shall commence not later than the Participant's Required Beginning Date.

Distributions required to commence under this Section shall be made in accordance with Code Section 401(a)(9) and regulations issued thereunder. If payment of a Participant's retirement benefit does not commence until his Required Beginning Date, his Required Beginning Date shall be considered his Annuity Starting Date for all purposes of the Plan.

If the Participant dies after his Annuity Starting Date, but prior to distribution of his entire interest, the remaining portion of such interest shall be distributed to his Beneficiary in a method which is at least as rapid as the method being used at the date of the Participant's death. If the Participant dies prior to his Annuity Starting Date, the entire interest attributable to the Participant shall be distributed within five years after the date of his death, unless such interest is payable to a designated beneficiary (as defined in Code Section 401(a)(9)) for a period which does not exceed the life or life expectancy of such designated beneficiary, in which event distribution of such interest shall commence no later than the date the Participant would have attained age 70 1/2 if the designated beneficiary is the surviving Spouse of such Participant, or the date which is one year after the date of such Participant's death if the designated beneficiary is not the surviving Spouse of such Participant.

Subject to the requirements of Code Sections 401(a)(9), no benefit payments shall commence under the Plan until the Participant, or his Beneficiary, if applicable, makes written application therefor on a form satisfactory to the Administrator.

ARTICLE XI
MAXIMUM RETIREMENT BENEFITS

11.1 Definitions

For purposes of this Article, the following terms have the following meanings.

- (a) A Participant's "annual retirement benefit" means the amount of retirement benefit attributable to City contributions which is payable to him annually under the Plan multiplied by the appropriate factor prescribed by the Secretary of the Treasury if such benefit is to be paid in a manner other than to the Participant for his life only. A Participant's "aggregate annual retirement benefit" includes his "annual retirement benefit" and his annual retirement benefit, if any, under any and all other defined benefit plans (whether or not terminated) maintained by the City or any Affiliate.
- (b) The "limitation year" means the Plan Year.
- (c) "Defined benefit plan" and "defined contribution plan" have the meanings given such terms in Code Section 415(k).

11.2 Maximum Limitation on Annual Benefits

The "annual retirement benefit" and the "aggregate annual retirement benefit" that may be paid to a Participant may not at any time within any "limitation year" exceed the limitations contained in Code Section 415(b). The maximum limitations will be determined in accordance with Code Section 415 and the applicable regulations for governmental plans thereunder.

11.3 Maximum Limitation on Mandatory Employee Contributions and Pick-Up Contributions

Notwithstanding any other provision of the Plan to the contrary, "annual additions" credited to a Participant's Accumulated Contributions with respect to a "limitation year" shall in no event exceed the lesser of (i) \$30,000 (adjusted as provided in Code Section 415(d)) or (ii) 25 percent of the Participant's compensation, as defined in Code Section 415(c)(3) and regulations issued thereunder; provided, however, that the limit in clause (i) shall be pro-rated for any short "limitation year". The "annual addition" with respect to a Participant for a "limitation year" means the sum of his Mandatory Employee Contributions and Pick-Up Contributions contributed to the Plan, employer contributions, employee contributions, and forfeitures allocated to his accounts for the "limitation year" under any other qualified defined contribution plan (whether or not terminated) maintained by the City or an Affiliate concurrently with the Plan, and amounts described in Code Sections 415(1)(2) and 419A(d)(2) allocated to his account for the "limitation year".

11.4 Manner of Reduction

If the Participant's "aggregate annual retirement benefit" exceeds the limitations specified in this Article, the reduction in the amount of his "annual retirement benefit" shall be equal to the amount by which his "aggregate annual retirement benefit" exceeds the limitations of this Article multiplied by a fraction, the numerator of which is his "annual retirement benefit" (determined without regard to this Article) and the denominator of which is his "aggregate annual retirement benefit" (determined without regard to the limitations of this Article or any corresponding limitation in any other defined benefit plan maintained by the City or any Affiliate).

If the "annual addition" to the Plan of a Participant in any "limitation year" would otherwise exceed the amount that may be applied for his benefit under the limitation contained in Section 11.3, the limitation shall be satisfied by reducing the Mandatory Employee Contributions or Pick-Up Contributions to the Participant's account to the extent necessary. If a Participant is covered by any other qualified defined contribution plan (whether or not terminated) maintained by the City or a Affiliate concurrently with the Plan, and if the "annual addition" for the "limitation year" would otherwise exceed the amount that may be applied for the Participant's benefit under the limitation contained in the preceding Section, such excess shall be reduced first by returning the employee contributions made by the Participant for the "limitation year" under all defined contribution plans other than the Plan, and the income attributable thereto, to the extent necessary in the order prescribed by the Administrator. If the limitation contained in the preceding Section still is not satisfied after returning all of the employee contributions made by the Participant under all such other plans, the excess shall be reduced by returning or forfeiting, as provided in each such defined contribution plan, the elective contributions made on the Participant's behalf for the "limitation year" under all such other plans, and, if elective contributions are returned, the income attributable thereto, to the extent necessary in the order prescribed by the Administrator. If the limitation contained in the preceding Section still is not satisfied after returning or forfeiting all of the elective contributions made on the Participant's behalf under all such other plans, the portion of the employer contributions and of forfeitures for the "limitation year" under all such other plans that has been allocated to the Participant thereunder, but which exceeds the limitation set forth in the preceding Section, shall be deemed a forfeiture for the "limitation year" and shall be disposed of as provided in such other plans; provided, however, that the amount of the employer contributions and forfeitures that is a deemed forfeiture under this Section shall be effected in the order prescribed by the Administrator, but first under any other defined contribution plan that is not a money purchase pension plan and, if the limitation still is not satisfied, then under such money purchase pension plan. If the limitation contained in the preceding Section still is not satisfied after all employer contributions and forfeitures under all such other defined contributions plans are deemed forfeited for the "limitation year", the limitation shall be satisfied by reducing "annual additions" under the Plan as provided in this Section.

11.5 Maximum Defined Benefit and Defined Contribution Limitation

For limitation years commencing prior to the year 2000, if a Participant also is or was covered by one or more defined contribution plans maintained by the City or any Affiliate, the sum of the defined benefit plan fraction described in Code Section 415(e)(2) and the defined contribution plan fraction described in Code Section 415(e)(3) in no event shall exceed 1.0 in any limitation year. At the election of the City, the denominator of the defined contribution plan fraction may be computed in accordance with the special transition rule provided in Code Section 415(e)(6) and applicable regulations thereunder.

In the event that the sum of the defined benefit plan fraction and the defined contribution plan fraction would exceed the limitation of 1.0, annual additions under the defined contribution plan shall be reduced to the extent necessary to meet such limitation.

ARTICLE XII PENSION FUND

12.1 Pension Fund

The Pension Fund is maintained by the Funding Agent for the Plan under a Funding Agreement with the City. Benefits under the Plan shall be only such as can be provided by the assets of the Pension Fund, and no liability for payment of benefits shall be imposed upon the City, or any of its elected or appointed officials or employees.

12.2 Contributions by the City

So long as the Plan continues, contributions will be made by the City at such times and in such amounts as the City in its sole discretion shall from time to time determine, based on the advice of the Actuary and consistent with the funding policy for the Plan. Subject to the provisions of Section 12.5, all such contributions shall be delivered to the Funding Agent for deposit in the Pension Fund.

12.3 Expenses of the Plan

The expenses of administration of the Plan, including the expenses of the Administrator and fees of the Funding Agent and any investment advisor, shall be paid from the Pension Fund, unless the City or the City elects to make payment.

12.4 No Reversion

The Pension Fund shall be for the exclusive benefit of Participants and persons claiming under or through them.

All such contributions shall be irrevocable and such contributions as well as the Pension Fund, or any portion of the principal or income thereof, shall never revert to or inure to the benefit of the City or any Affiliate except that:

- (a) the residual amounts specified in Article XIV may be returned to the City;
- (b) any contributions which are made under a mistake of fact may be returned to the City within one year after the contributions were made;

The Administrator shall determine, in its sole discretion, whether the contributions described above shall be returned to the City. If any such contributions are to be returned, the Administrator shall so direct the Funding Agent, in writing, no later than ten days prior to the last day upon which they may be returned.

12.5 Forfeitures Not to Increase Benefits

Any forfeitures arising from the termination of employment or death of an Employee, or for any other reason, shall be used to reduce City contributions to the Pension Fund, and shall not be applied to increase the benefits any Participant otherwise would receive under the Plan at any time prior to the termination of the Plan.

12.6 Change of Funding Medium

The City shall have the right to change at any time the means through which benefits under the Plan shall be provided. No such change shall constitute a termination of the Plan or result in the diversion to the City of any funds previously contributed in accordance with the Plan.

**ARTICLE XIII
ADMINISTRATION**

13.1 Authority of the Administrator

The Administrator shall have all the powers and authority expressly conferred upon it herein and further shall have the sole discretionary right, authority, and power to interpret and construe the Plan, and to determine any disputes arising thereunder, subject to the provisions of Section 13.3. In exercising such powers and authority, the Administrator at all times shall exercise good faith, apply standards of uniform application, and refrain from arbitrary action. The Administrator may employ such attorneys, agents, and accountants as it may deem necessary or advisable to assist it in carrying out its duties hereunder.

13.2 Action of the Administrator

All notices, advice, directions, certifications, approvals, and instructions required or authorized to be given by the Administrator under the Plan shall be in writing and signed by or on behalf of the Administrator.

13.3 Domestic Relations Order Approval Procedures

The Administrator shall approve a domestic relations order and direct that payment of a Participant's benefit be made in accordance with the terms of such order provided that all of the following requirements are met:

- (a) The order creates or recognizes the existence of an "alternate payee's" right to, or assigns to an "alternate payee" the right to, receive all or a portion of the Participant's Accrued Benefit under the Plan.
- (b) The order clearly specifies the following:
 - (1) the name and last known mailing address, if any, of the Participant and of each "alternate payee" covered by the order;
 - (2) the amount or percentage of the Participant's Accrued Benefit to be paid to each "alternate payee", or the manner in which such amount or percentage is to be determined;
 - (3) the number of payments or the period to which such order applies; and
 - (4) the name of the Plan.
- (c) The order does not require the Plan to provide any type or form of benefit, or any option, not otherwise provided under the Plan.

- (d) The order does not require the Plan to provide increased benefits (determined on the basis of actuarial value).
- (e) The order does not require the payment of benefits to an "alternate payee" which are required to be paid to another "alternate payee" under another order previously approved by the Administrator.
- (f) The order does not provide for payment to the "alternate payee" in the form of a joint and survivor annuity with the "alternate payee's" subsequent spouse as beneficiary.

A domestic relations order may provide for payment prior to the date the Participant has separated from service if it provides that such payment shall be made on or after the date the Participant would have attained "earliest retirement age" under the Plan as if the Participant had retired on the date payments commence under the order (based only on the Participant's Accrued Benefit as of that date and subject to reduction for early commencement in accordance with the terms of the Plan).

The Administrator shall promptly notify the Participant and "alternate payee" of its receipt of the domestic relations order and of the Plan's procedures for approval of domestic relations orders. Within a reasonable period of receipt of such order, the Administrator shall determine whether the order meets the requirements established under this Section and shall notify the Participant and each "alternate payee" of its determination.

During the period of time following the Administrator's receipt of a domestic relations order and prior to the Administrator's determination as to whether the order meets the requirements of this Section, the Administrator shall separately account for those amounts that would have been payable to the "alternate payee" if the order had been approved (the "segregated amounts"). If within 18 months of the date the first payment would have been made under the domestic relations order, such order is approved by the Administrator, the Administrator shall pay the segregated amounts to the appropriate "alternate payee", with interest thereon. If within such 18-month period the order is disapproved by the Administrator, or the Administrator has not yet resolved whether the order meets the requirements of this Section, the Administrator shall pay the segregated amounts to the person or persons to whom payment would have been made if there had been no order. If the Administrator later approves the order, such order shall be applied prospectively only.

For purposes of this Section, the following terms shall have the following meanings:

- (g) An "alternate payee" means any Spouse, former Spouse, child or other dependent of a Participant who is recognized by a domestic relations order as having a right to receive all, or a portion of, a Participant's benefit under the Plan.
- (h) A "domestic relations order" means any judgment, decree, or order (including approval of a property settlement) that:

- (1) relates to the provision of child support, alimony payments, or marital property rights to a Spouse, former Spouse, child, or other dependent of a Participant; and
 - (2) is made pursuant to a state domestic relations law (including a community property law).
- (i) A Participant's "earliest retirement age" means the earlier of (1) the date on which the Participant is entitled to a distribution under the Plan, or (2) the date the Participant would have attained age 55.

13.4 Actions Binding

Subject to the provisions of Section 13.3, any action taken by the Administrator which is authorized, permitted, or required under the Plan shall be final and binding upon the City, the Funding Agent, all persons who have or who claim an interest under the Plan, and all third parties dealing with the City or the Funding Agent.

**ARTICLE XIV
AMENDMENT & TERMINATION OF PLAN**

14.1 Right of Amendment

The City reserves the right at any time and from time to time, by means of a written instrument executed in the name of the City by its duly authorized representatives, to amend or modify the Plan and, to the extent provided therein, to amend or modify the Funding Agreement. No pension or other benefit granted prior to the time of any amendment or modification of the Plan shall be reduced, suspended, or discontinued as a result thereof, except to the extent necessary to enable the Plan to meet the requirements for qualification under the Code or the requirements of any governmental authority. Moreover, no such action shall operate to recapture for the City any contributions made to the Pension Fund.

14.2 Termination of the Plan

The City reserves the right, by means of a written resolution adopted by the City Council, at any time to terminate the Plan. In the event of termination, no further benefits shall accrue, no further contributions shall be made, and all assets remaining in the Pension Fund, after provision has been made for payment of the expenses of administration and liquidation in connection with the termination, shall be allocated by the Funding Agent upon the advice of the Actuary, among the Participants and Beneficiaries of the Plan, in the following manner and order of precedence:

- (a) First to that portion of a Participant's or Beneficiary's Accrued Benefit that is derived from the Participant's Mandatory Employee Contributions, Supplemental Employee Contributions, and Pick Up Contributions.
- (b) In the case of benefits payable as an annuity,
 - (1) in the case of the benefit of a Participant or Beneficiary which was in pay status as of the beginning of the three-year period ending on the termination date of the Plan, to each such benefit, based on the provisions of the Plan (as in effect during the five-year period ending on such date) under which such benefit would be the least; and
 - (2) in the case of a Participant's or Beneficiary's benefit (other than a benefit described in subparagraph (1) of this paragraph) which would have been in pay status as of the beginning of such three-year period if the Participant had retired prior to the beginning of such three-year period and if his benefits had commenced (in the normal form of annuity under the Plan) as of the beginning of such period, to each such benefit based on the provisions of the Plan (as in effect during the five-year period ending on such date) under which such benefit would be the least.

For purposes of subparagraph (1) of this paragraph, the lowest benefit in pay status during a three-year period shall be considered the three-year benefit in pay status for such period.

- (c) Next,
 - (1) to Participants age 60 or over; and
 - (2) to Participants age 50 to 59; and
 - (3) to Participants age 45 to 54, inclusive; and
 - (4) to Participants under age 45.

Notwithstanding any other provision of the Plan to the contrary, other than Sections 14.3 through 14.8, the amount allocated to any Participant under this Section 14.2 shall be fully vested and nonforfeitable. The City shall furnish all information reasonably required for the purposes of making such allocations. The Funding Agent shall implement the allocations determined under this Section among the persons for whose benefit such allocations are made through distribution of the assets of the Pension Fund, through application of the amounts allocated to the purchase from an insurance company of immediate or deferred annuities, or through creation of one or more new funds for the purpose of distributing the assets of the Pension Fund (to the extent so allocated), or by a combination of the foregoing.

14.3 Adjustment of Allocation

The amount allocated under any paragraph of Section 14.2 with respect to any benefit shall be properly adjusted for any allocations of assets with respect to that benefit under a prior paragraph of Section 14.2.

14.4 Assets Insufficient for Allocation

If the assets available for allocation under any paragraph of Section 14.2 (other than paragraphs (c)) are insufficient to satisfy in full the benefits of all individuals which are described in that paragraph, the assets shall be allocated pro rata among such individuals on the basis of the present value (as of the date of termination of the Plan) of their respective benefits described in that paragraph.

14.5 Assets Insufficient for Allocation Under Paragraph (c) of Section 14.2

This Section applies if the assets available for allocation under paragraph (c) of Section 14.2 are not sufficient to satisfy in full the benefits of individuals described in such paragraph.

- (a) If this Section applies, except as provided in paragraph (b), the assets shall be allocated to the benefits of individuals described in paragraph (c) of Section 14.2 on the basis of the

benefits of individuals which would have been described in such paragraph under the Plan as in effect at the beginning of the five-year period ending on the date of termination of the Plan.

- (b) If the assets available for allocation under paragraph (a) of this Section are sufficient to satisfy in full the benefits described in such paragraph (without regard to this paragraph (b)), then for purposes of paragraph (a), benefits of individuals described in such paragraph shall be determined on the basis of the Plan as amended by the most recent Plan amendment effective during such five-year period under which the assets available for allocation are sufficient to satisfy in full the benefits of individuals described in paragraph (a), and any assets remaining to be allocated under such paragraph (a) on the basis of the Plan as amended by the next succeeding Plan amendment effective during such period.

14.6 Residual Assets

Subject to the provisions of Section 14.10, any residual assets of the Plan shall be distributable to the City if:

- (a) all liabilities of the Plan to Participants and their beneficiaries have been satisfied; and
- (b) the distribution does not contravene any provision of law.

14.7 Meanings of Terms

The terms used in Sections 14.2 through 14.4 shall have, where required, the same meaning as the same terms have as used in Section 4044 of the Employee Retirement Income Security Act of 1974, as amended; provided, however, that any term specifically defined in the Plan shall retain its meaning as defined thereunder.

14.8 Payments by the Funding Agent

The Funding Agent shall make the payments specified in a written direction of the Administrator in accordance with the provisions of Section 14.2 until the same shall be superseded by a further written direction. The obligation of the Funding Agent to make any payment hereunder in all events shall be limited to the amount of the Pension Fund at the time any such payment shall become due.

14.9 Residual Assets Distributable to the City

Upon written notice from the Administrator that any residual assets of the Plan are distributable to the City in accordance with the provisions of Section 14.6, then the Funding Agent shall pay over such residual assets, or an amount equal to the fair market value of that portion of such residual assets which are not so paid, to the City; provided, however, that, under no circumstances or conditions other than as set forth in this Section 14.9 and in Section 12.4, shall any contribution of the City, or any portion of the proceeds or avails thereof, ever revert, be paid,

or inure to the benefit, directly or indirectly, of the City or any Affiliate; nor shall any portion of the principal or the income from the Pension Fund ever be used for or diverted to any purpose other than for the exclusive benefit of Participants and persons claiming under or through them pursuant to the Plan.

**ARTICLE XV
MISCELLANEOUS**

15.1 No Commitment as to Employment

Nothing contained herein shall be construed as a commitment or agreement on the part of any person to continue his employment with the City, or as a commitment on the part of the City to continue the employment, compensation, or benefits of any person for any period, and all employees of the City shall remain subject to discharge, layoff, or disciplinary action to the same extent as if the Plan had never been put into effect.

15.2 Governing Law

Except as provided under Federal law, the provisions of the Plan shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia..

15.3 Funding Agreement

The Funding Agreement and the Pension Fund maintained thereunder shall be deemed to be a part of the Plan as if fully set forth herein and the provisions of the Funding Agreement are hereby incorporated by reference into the Plan.

15.4 Benefit Offsets for Overpayments

If a Participant or Beneficiary receives benefits hereunder for any period in excess of the amount of benefits to which he was entitled under the terms of the Plan as in effect for such period, such overpayment shall be offset against current or future benefit payments, as applicable, until such time as the overpayment is entirely recouped by the Plan.

15.5 Veterans Reemployment Rights

Notwithstanding any other provision of the Plan to the contrary, contributions, benefits, and service credit with respect to qualified military service shall be provided in accordance with Code Section 414(u).

ARTICLE XVI

EGTRRA AMENDMENTS

16.1 Effective Date of Article

This Article XVI is intended to reflect certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (“EGTRRA”) and to demonstrate good faith compliance with the provisions of EGTRRA. The provisions of this Article XVI shall be construed in accordance with EGTRRA and guidance issued thereunder. The provisions of this Article shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Article.

16.2 Limitations on Benefits

- (a) **Defined benefit dollar limitation.** The “defined benefit dollar limitation” is \$160,000, as adjusted, effective January 1 of each year, under Section 415(d) of the Code in such manner as the Secretary shall prescribe, and payable in the form of a straight life annuity. A limitation as adjusted under Section 415(d) of the Code will apply to limitation years ending with or within the calendar year for which the adjustment applies.
- (b) **Maximum permissible benefit:** The “maximum permissible benefit” is the defined benefit dollar limitation (as adjusted where required, as provided in (1) and, if applicable, in (2) or (3) below).
- (1) If the Participant has fewer than 10 years of participation in the Plan, the defined benefit dollar limitation shall be multiplied by a fraction, (i) the numerator of which is the number of years (or part thereof) of participation in the Plan and (ii) the denominator of which is 10.
- (2) Subject to the provisions of Section 415(b)(2)(G) (relating to qualified police or firefighters), if the benefit of a Participant begins prior to age 62, the defined benefit dollar limitation applicable to the Participant at such earlier age is an annual benefit payable in the form of a straight life annuity beginning at the earlier age that is the actuarial equivalent of the defined benefit dollar limitation applicable to the Participant at age 62 (adjusted under (1) above, if required). The defined benefit dollar limitation applicable at an age prior to age 62 is determined as the lesser of (i) the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using the interest rate and mortality table (or other tabular factor) specified in Exhibit A of the Plan and (ii) the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using a 5 percent interest rate and the applicable mortality table as defined in Exhibit A of the Plan. Any decrease in the defined benefit dollar limitation determined in accordance with this paragraph (2) shall not reflect a mortality decrement if

benefits are not forfeited upon the death of the Participant. If any benefits are forfeited upon death, the full mortality decrement is taken into account.

- (3) If the benefit of a Participant begins after the Participant attains age 65, the defined benefit dollar limitation applicable to the Participant at the later age is the annual benefit payable in the form of a straight life annuity beginning at the later age that is actuarially equivalent to the defined benefit dollar limitation applicable to the Participant at age 65 (adjusted under (1) above, if required). The actuarial equivalent of the defined benefit dollar limitation applicable at an age after age 65 is determined as (i) the lesser of the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using the interest rate and mortality table (or other tabular factor) specified in Exhibit A of the Plan and (ii) the actuarial equivalent (at such age) of the defined benefit dollar limitation computed using a 5 percent interest rate assumption and the applicable mortality table as defined in Exhibit A of the Plan. For these purposes, mortality between age 65 and the age at which benefits commence shall be ignored.
- (c) Benefit increases resulting from the increase in the limitations of Section 415(b) of the Code shall be provided to all employees participating in the Plan who have one Hour of Service on or after the first day of the first limitation year ending after December 31, 2001.

16.3 Increase in Earnings Limit

- (a) The annual Earnings of each Participant taken into account in determining benefit accruals for any Plan Year beginning after December 31, 2001, shall not exceed \$200,000, as adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. Annual Earnings means Earnings during the plan year or such other consecutive 12-month period over which Earnings are otherwise determined under the Plan (the determination period). The cost-of-living adjustment in effect for a calendar year applies to annual Earnings for the determination period that begins with or within such calendar year.
- (b) In determining benefit accruals in Plan Years beginning after December 31, 2001, the annual Earnings limit in Article I, Section 14 for determination periods beginning before January 1, 2002, shall be \$150,000 for any determination period beginning in 1996 or earlier, \$160,000 for any determination period beginning in 1997, 1998, or 1999; and \$170,000 for any determination period beginning in 2000 or 2001.

16.4 Direct Rollovers of Plan Distributions

- (a) This Section shall apply to distributions made after December 31, 2001.
- (b) Modification of definition of eligible retirement plan. For purposes of the direct rollover provisions of the Plan, an eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the

Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a domestic relation order, as defined in Section 414(p) of the Code.

- (c) Modification of definition of eligible rollover distribution to include after-tax employee contributions. For purposes of the direct rollover provisions of the Plan, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

ARTICLE XVII

MINIMUM DISTRIBUTION REQUIREMENTS

17.1 General Rules

- (a) The provisions of this Article XVII will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.
- (b) The requirements of this Article XVII will take precedence over any inconsistent provisions of the Plan.
- (c) All distributions required under this Article XVII will be determined and made in accordance with the Treasury Regulations under Section 401(a)(9) of the Internal Revenue Code.

17.2 Time and Manner of Distribution

- (a) The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.
- (b) If the Participant dies before distributions begin, the Participant's entire interest (if any) will be distributed, or begin to be distributed, no later than as follows:
 - (1) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary, distributions to the surviving spouse shall begin by December 31 of the calendar year immediately following the year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70-1/2, if later.
 - (2) If the Participant's surviving spouse is not the Participant's sole Designated Beneficiary, distributions to the Designated Beneficiary shall begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
 - (3) If there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest (if any) will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (4) If the Participant's surviving spouse is the Participant's sole Designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 17.2, other than Section 17.2(b)(1), will apply as if the surviving spouse were the Participant.

For purposes of this Section 17.2 and Section 17.5, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section 17.2(b)(3) applies, the date distributions are required to begin to the surviving spouse under Section 17.2(b)(1)). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section 17.2(b)(1)), the date distributions are considered to begin is the date distributions actually commence.

- (c) Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with Sections 17.3, 17.4 and 17.5. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury Regulations.

17.3 Determination of Amount to be Distributed Each Year

- (a) If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:
 - (1) the annuity distributions will be paid in periodic payments made at intervals not longer than 1 year;
 - (2) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Sections 17.4 or 17.5;
 - (3) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
 - (4) payments will either be non-increasing or increase only as follows:
 - (i) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
 - (ii) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section D dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p);
 - (iii) to provide cash refunds of employee contributions upon the Participant's death; or
 - (iv) to pay increased benefits that result from a Plan amendment.

- (b) The amount that must be distributed on or before the Participant's Required Beginning Date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Section 17.2) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first Distribution Calendar Year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's Required Beginning Date.
- (c) Any additional benefits accruing to the Participant in a calendar year after the first Distribution Calendar Year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

17.4 Requirements For Annuity Distributions That Commence During Participant's Lifetime

- (a) If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-spouse beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the Designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of Section 1.401(a)(9)-6T of the Treasury Regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-spouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the Designated Beneficiary after the expiration of the period certain.
- (b) Unless the Participant's spouse is the sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole Designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section 17.4(b), or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in

Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

17.5 Requirements For Minimum Distributions Where Participant Dies Before Date Distributions Begin

- (a) If the Participant dies before the date distribution of his or her interest begins and there is a Designated Beneficiary, the Participant's entire interest (if any) will be distributed, beginning no later than the time described in Section 17.2(b)(1) or 17.2(b)(2) over the life of the Designated Beneficiary or over a period certain not exceeding:
 - (1) unless the annuity starting date is before the first Distribution Calendar Year, the Life Expectancy of the Designated Beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or
 - (2) if the annuity starting date is before the first Distribution Calendar Year, the Life Expectancy of the Designated Beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.
- (b) If the Participant dies before the date distributions begin and there is no Designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest (if any) will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (c) If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving spouse is the Participant's sole Designated Beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Section 17.5 will apply as if the surviving spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section 17.2(b)(1).

17.6 Definitions

- (a) **Designated Beneficiary** means the individual who is designated as the beneficiary under Section 9.2 of the Plan and is the designated beneficiary under Section 401(a)(9) of the Internal Revenue Code and Section 1.401(a)(9)-1, Q&A-4, of the Treasury Regulations.
- (b) **Distribution Calendar Year** means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section 17.2

- (c) **Life Expectancy** means life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.
- (d) **Required Beginning Date** means the April 1 of the calendar year following the later of the date the Participant attains age 70-1/2 or the Participant retires from employment.

ADDENDUM

Re: Adjustment Factors

Early Commencement Reduction Factors

Number of Years and Months from Annuity Starting Date to Normal Retirement Date:	Factors:
1	.9333%
2	.8667%
3	.8000%
4	.7333%
5	.6667%
6	.6333%
7	.6000%
8	.5667%
9	.5333%
10	.5000%

Note: When a partial year is involved, the factor will be appropriately adjusted.

Late Commencement Adjustment Factors

Number of Years and Months from Normal Retirement Date to Annuity Starting Date:	Factors:
1	.1.06%
2	1.12%
3	1.19 %
4	1.26%
5	1.34%
6	1.42%
7	1.50%
8	1.58%
9	1.67%
10	1.76%

Factors for other years and months will be determined in a manner consistent with the manner used in determining these factors