

CITY OF WYOMING
DEFINED BENEFIT PLAN
(Restated effective as of July 1, 2015)

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CITY OF WYOMING
DEFINED BENEFIT PLAN

Article 1

Establishment of the Defined Benefit Plan

1.1 History of the Defined Benefit Plan

The City established the Retirement System effective as of October 1, 1962, for the purpose of providing retirement benefits to Employees eligible under the terms and conditions of the Retirement System. The Retirement System was a defined benefit pension plan. Effective as of September 5, 2005, the City revised the Retirement System by adopting a defined contribution plan. The Defined Benefit Plan and the Defined Contribution Plan together comprise the Retirement System.

1.2 This Document

By this document the City is amending and restating the Defined Benefit Plan effective July 1, 2015. The amended and restated Defined Benefit Plan is intended to meet the requirements of Sections 401(a) and 501(a) of the Code which are applicable to qualified retirement plans established by governmental employers.

1.3 Organization of the Plan

The Defined Benefit Plan applies to Employees in various Benefit Groups. The provisions of the Plan which apply to a specific Benefit Group are called a Sub-Plan.

The initial portion of the Plan, called the Basic Provisions, applies to all Participants. The Schedules, which are attached to the initial portion of the Plan, set forth the terms and conditions which apply to each Benefit Group. The specific Defined Benefit Plan provisions applicable to each Benefit Group are set forth in the applicable Schedule for that Benefit Group, except as otherwise provided in the applicable Collective Bargaining Agreement (in the case of a Participant who is a member of a Union) or in the applicable employment agreement (in the case of a Participant who is not a member of a Union). For each Benefit Group, the Sub-Plan consists of the Basic Provisions and the applicable Schedule.

1.4 Special Effective Dates

Although the amended and restated Defined Benefit Plan is generally effective as of July 1, 2015, certain provisions may have different effective dates in order to comply with federal laws and regulations. Each special effective date is stated in the Defined Benefit Plan provision to which it relates.

1.5 Effect on Prior Employees

A Participant who has a Severance from Employment before the effective date of the amended and restated Defined Benefit Plan (or the effective date of any specific provision having a special effective date) shall have his rights and benefits determined under the Defined Benefit Plan provisions in effect when his Severance from Employment occurred, except as specifically stated in the amended and restated Defined Benefit Plan.

Article 2

Definitions

The following words, terms and phrases, shall have the meanings ascribed to them in this Article, except where the context clearly indicates a different meaning. All references to specific Articles or Sections shall refer to Articles or Sections of the Defined Benefit Plan unless otherwise stated.

2.1 Accrued Benefits

“Accrued Benefit” means the pension benefit earned by a Participant as of a particular date. A Participant’s Accrued Benefit shall be computed in the same manner as a Normal Retirement Benefit, based on the Participant’s Years of Credited Service, Average Monthly Compensation, Benefit Group, and the benefit rates in effect as of the following date:

(a) If the Participant has had a Severance from Employment, the date specified in the Defined Benefit Plan for determining the Accrued Benefit, based on the type of benefit for which the Participant is eligible; or

(b) If the Participant remains employed by Employer, the date as of which the calculation is being made.

2.2 Accumulated Employee Contribution

“Accumulated Employee Contributions” means the sum of all amounts credited to a Participant’s individual account in the reserve for Accumulated Employee Contributions.

2.3 Actuarially Equivalent or Actuarial Equivalent

“Actuarially Equivalent” or “Actuarial Equivalent” means equality in value of the aggregate amount of pension benefits to be received under different forms of payment. Actuarial Equivalent benefits shall be based upon the following:

Interest Rate	7.5% per year
Mortality	1971 group annuity mortality table set back zero years for men and five years for women.

Application of these assumptions to the computation of benefits payable under the Defined Benefit Plan shall be made in a uniform and consistent manner with respect to all Participants in similar circumstances. Actuarial assumptions may be changed by the Board of Trustees based on the recommendation of the Actuary. Any change to the actuarial assumptions will be reflected in an amendment to the Plan or minutes of a Board meeting.

2.4 Actuary

“Actuary” means the individual actuary or firm of actuaries selected by the Board of Trustees to provide actuarial services in connection with the administration of the Defined Benefit Plan. The individual actuary or a member of the actuarial firm shall be a member of the American Academy of Actuaries or shall have demonstrated an educational background necessary for the practice of actuarial science and have at least five years of relevant pension actuarial experience.

2.5 Annuity Starting Date

“Annuity Starting Date” means the first day or the first period for which an amount is to be paid as an annuity or other form under Article 10. It is the first day as of which an amount is to be paid, not the actual date of payment.

2.6 Average Monthly Compensation

“Average Monthly Compensation” means Compensation used in determining a Participant’s or Vested Terminated Participant’s Accrued Benefit. A Participant’s or Vested Terminated Participant’s Average Monthly Compensation is described in the Schedule that applies to his Benefit Group.

2.7 Basic Provisions

“Basic Provisions” are the provisions of the Defined Benefit Plan that apply to all Participants and Vested Terminated Participants. The Basic Provisions are the terms and conditions of the Defined Benefit Plan other than the Schedules.

2.8 Beneficiary

“Beneficiary” means the beneficiary designated by the Participant on a form provided by the Board of Trustees. Spousal consent is required if the Participant designates a Beneficiary in addition to, or other than, his Spouse.

2.9 Benefit Group

“Benefit Group” means the group of Employees designated for the purpose of determining benefit eligibility, benefit conditions, benefit amounts and contribution amounts applicable to a Participant. The Benefit Groups are as follows:

(a) **General Benefit Group** The General Benefit Group shall include all Participants who are members of the Wyoming City Employees Union.

(b) **Administrative and Supervisory Benefit Group** The Administrative and Supervisory Benefit Group shall include all Participants who are members of the Wyoming Administrative and Supervisory Employees Association.

(c) **Police Command Benefit Group** The Police Command Benefit Group shall include all Participants who are members of the Police Officers Labor Council Wyoming Command Division. A police chief or deputy police chief appointed after July 1, 2010, is also a member of this Benefit Group (and is not a member of the Administrative Contract Group) if he was a member of this Benefit Group immediately before being appointed to the position of police chief or deputy police chief.

(d) **Police Nonsupervisory Benefit Group** The Police Nonsupervisory Benefit Group shall include all Participants who are members of the Police Officers Labor Council Wyoming Division.

(e) **Police ECO Benefit Group** The Police ECO Benefit Group shall include all Participants who are members of the Wyoming Police Officers Labor Council Emergency Communications Operators Unit.

(f) **Fire Benefit Group** The Fire Benefit Group shall include all Participants who are members of the Wyoming Fire Fighters Association. A fire chief or deputy fire chief appointed after July 1, 2010, is also a member of this Benefit Group (and is not a member of the Administrative Contract Group) if he was a member of this Benefit Group immediately before being appointed to the position of fire chief or deputy fire chief.

(g) **Administrative Contract Benefit Group** The Administrative Contract Benefit Group shall include all non-Union Participants who are classified as full-time Employees and whose terms of employment with Employer are set forth in an individual employment contract, and whose job classification is not specifically included in another Benefit Group. (This also includes those individuals who were appointed police chief, deputy police chief, fire chief and deputy fire chief before July 1, 2010.)

For purposes of this definition, an Employee is considered to be a “member” of a Union if the Employee is included in the bargaining unit represented by that Union.

The specific Defined Benefit Plan provisions applicable to each Benefit Group are set forth in the applicable Schedule for that Benefit Group, except as otherwise provided in the applicable Collective Bargaining Agreement (in the case of a Participant who is a member of a

Union) or in the applicable employment agreement (in the case of a Participant who is not a member of a Union). Age and service conditions for benefit eligibility shall be those applicable to the Participant's Benefit Group at the time of his Severance from Employment.

2.10 Board of Trustees

"Board of Trustees" or "Board" means the governing body of the Retirement System which is described in Article 14.

2.11 Calendar Year

"Calendar Year" means the 12-consecutive month period beginning on January 1 and ending on the following December 31.

2.12 City

"City" means the City of Wyoming, Michigan.

2.13 City Code

"City Code" means the City of Wyoming Code of Ordinances of 1997, as amended.

2.14 Code

"Code" means the Internal Revenue Code of 1986, as amended, including any applicable regulations.

2.15 Collective Bargaining Agreement

"Collective Bargaining Agreement" means the currently effective collective bargaining agreement between Employer and a Union, provided retirement benefits were the subject of good faith bargaining.

2.16 Compensation

"Compensation" means base salary or wages, for regular hours worked including annual payments for dual trained Employees, longevity pay, awards, cost-of-living allowances, salary or wages while absent from work on account of illness (including workers' compensation), overtime pay, shift premiums, and salary or wages for vacation or holiday time taken or worked, Deemed Section 125 Compensation, pay reduction contributions to a qualified transportation fringe benefit plan under Section 132(f) of the Code or to an eligible deferred compensation plan under Section 457(b) of the Code and any Differential Wage Payments. For a Participant who is receiving workers' compensation benefits and a differential payment equal to the difference between his net salary or wage and workers' compensation benefits, "Compensation" also includes the workers' compensation benefit and the differential payment. Compensation shall not include any remuneration or reimbursement not specifically stated above, including, but not limited to, pay for performance bonuses, cleaning, clothing and food

allowances, payments made at the time of Severance from Employment for unused sick leave, accrued vacation time and other severance pay, and amounts received for opting-out of Employer-provided health insurance.

Compensation of each Participant in a Plan Year shall be limited to the maximum amount permitted by Section 401(a)(17) of the Code (the “dollar limit”). The dollar limit for the Plan Year that begins in 2015 is \$265,000. The dollar limit shall be increased in accordance with Section 401(a)(17)(B) of the Code.

2.17 Date of Employment

“Date of Employment” means the date on which an Employee performs his first Hour of Service for Employer. However, see Section 3.5 for the Date of Employment of certain reemployed Employees.

2.18 Deemed Section 125 Compensation

“Deemed Section 125 Compensation” means a Participant’s pre-tax contributions to a cafeteria plan under Section 125 of the Code in the following situation:

(a) The Participant is required to make pre-tax contributions towards the cost of health coverage made available by Employer; and

(b) The Participant is permitted to waive health coverage made available by Employer only if the Participant certifies that the Participant has other health coverage; and

(c) The Participant does not have other health coverage available and, as a result, is required to elect health coverage made available by Employer; and

(d) Employer does not request or collect information regarding the Participant’s other health coverage during the health plan’s enrollment process.

2.19 Deferred Vested Benefit

“Deferred Vested Benefit” means the retirement benefit provided to a Participant or Vested Terminated Participant who qualifies and elects to receive benefits under Article 9.

2.20 Defined Benefit Plan

“Defined Benefit Plan” means the City of Wyoming Defined Benefit Plan, as described in this document.

2.21 Defined Contribution Plan

“Defined Contribution Plan” means the City of Wyoming Defined Contribution Plan.

2.22 Differential Wage Payment

“Differential Wage Payment” means a payment under Section 3401(h) of the Code that is paid to a Participant during any period when the Participant is performing Qualified Military Service while on active duty for more than 30 days.

2.23 Early Retirement Benefit

“Early Retirement Benefit” means the retirement benefit provided to a Participant who qualifies and elects to receive benefits under Article 6.

2.24 Early Retirement Date

“Early Retirement Date” means the first day after a Participant attains early retirement age under Article 6 and has a Severance from Employment.

2.25 Eligible Domestic Relations Order

“Eligible Domestic Relations Order” means an eligible domestic relations order under MCL 38.1701 *et. seq.* The attorney for the Board of Trustees shall determine whether a judicial order which requires payment of Defined Benefit Plan benefits to an alternate payee is an Eligible Domestic Relations Order.

2.26 Employee

“Employee” means any person who is on Employer’s payroll and is treated by Employer for tax purposes as Employer’s common law employee. Employee also means any Leased Employee of Employer deemed to be an Employee of Employer under Sections 414(n) or (o) of the Code.

2.27 Employer

“Employer” means the City, the 62A District Court and the Wyoming Housing Commission.

2.28 Hour of Service

“Hour of Service” means:

(a) Each hour for which an Employee is paid, or entitled to be paid, by Employer for the performance of duties for Employer during the applicable computation period.

(b) Each hour for which an Employee is directly or indirectly paid, or entitled to be paid, by Employer an amount equal to 100 percent of the Employee’s regular Compensation, but for which no duties are performed (whether or not the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty or Employer-approved leave of absence.

(c) If an Employee has an authorized leave of absence or a Severance from Employment because of Qualified Military Service, the Employee shall be credited with Hours of Service for the hours the Employee would have been scheduled to work during the Period of Qualified Military Service, provided the Employee applies for, and resumes, employment with Employer within the time limits established by USERRA. An Employee shall receive credit for Hours of Service under this provision only to the extent required by USERRA (or any successor law).

An Employee for whom Employer does not maintain a record of the number of hours worked will be credited with the number of Hours of Service he is regularly scheduled to work for each day during which he would otherwise be credited with at least one Hour of Service.

Any Hours of Service for which an Employee is paid overtime shall be credited on the basis of the actual hours worked and not the hours paid. The payroll and other records of Employer shall be used to determine an Employee's Hours of Service.

2.29 Leased Employee

"Leased Employee" means any person who is not a common-law employee of Employer and who performs services for Employer under the following circumstances:

- (a) The services are pursuant to an agreement between a leasing organization and Employer;
- (b) The person performs the services for Employer on a substantially full-time basis for at least one year; and
- (c) The services are performed under the primary direction and control of Employer.

A Leased Employee shall not be considered an Employee of Employer if:

- (a) The Leased Employee is covered by a money purchase pension plan providing:
 - (1) A nonintegrated employer contribution equal to at least 10 percent of the Leased Employee's Compensation determined under Section 415 of the Code, plus any pay reduction contributions under Sections 125, 402(e)(3), 402(h)(1)(B) or 403(b) of the Code.
 - (2) Immediate participation; and
 - (3) Full and immediate vesting; and
- (b) Leased Employees do not constitute more than 20 percent of Employer's "nonhighly compensated work force," as defined in Section 414(n)(5)(C)(ii) of the Code.

2.30 Normal Retirement Age

“Normal Retirement Age” means the age described in the Schedule that applies to the Participant’s Benefit Group.

2.31 Normal Retirement Benefit

“Normal Retirement Benefit” means the retirement benefit provided to a Participant or Vested Terminated Participant who qualifies for and elects to receive benefits under Article 5.

2.32 Normal Retirement Date

“Normal Retirement Date” means the first day after a Participant attains Normal Retirement Age and has a Severance from Employment. But for a DROP Participant, “Normal Retirement Date” means the Participant’s DROP Entry Date.

2.33 Participant

“Participant” means an Employee who has met the requirements for participation under Article 3 and who is or may become eligible to receive a benefit from the Defined Benefit Plan or whose Beneficiary may be eligible to receive a benefit from the Defined Benefit Plan.

2.34 Period of Qualified Military Service

“Period of Qualified Military Service” means the period of time an Employee is absent from employment where the absence is necessitated by the Employee’s performance of Qualified Military Service.

2.35 Plan Administrator

“Plan Administrator” means the named fiduciary responsible for the operation and administration of the Defined Benefit Plan. The Board of Trustees shall be the Plan Administrator.

2.36 Plan Year

“Plan Year” means the 12-consecutive-month period beginning on July 1 and ending on the following June 30.

2.37 Qualified Military Service

“Qualified Military Service” means qualified military service under Section 414(u)(5) of the Code. An individual is performing Qualified Military Service only if the individual is entitled to reemployment rights under USERRA.

2.38 Qualified Plan

“Qualified Plan” means a retirement plan meeting the requirements of Sections 401(a) and 501(a) of the Code.

2.39 Retiree

“Retiree” means a former Employee who is receiving a pension benefit from the Defined Benefit Plan or an Employee who has ceased performing services for Employer who is receiving a disability benefit from the Defined Benefit Plan.

2.40 Retirement System

“Retirement System” means the Defined Benefit Plan and the Defined Contribution Plan.

2.41 Schedules

“Schedules” means the Schedules attached to, and incorporated into, the Defined Benefit Plan. Each Schedule sets forth the specific Defined Benefit Plan provisions that apply to a particular Benefit Group.

2.42 Severance from Employment

“Severance from Employment” means the individual has ceased to be an Employee of Employer. The personnel policies of the City shall be used in determining whether a Severance from Employment has occurred.

2.43 Spouse

“Spouse” means the person to whom a Participant is legally married on the day before his Annuity Starting Date or, if earlier, his death. A former Spouse shall be treated as a Spouse for purposes of the Defined Benefit Plan to the extent provided under an Eligible Domestic Relations Order.

2.44 Straight Life Annuity

“Straight Life Annuity” means the annuity form of benefit payment described in Section 10.3(a).

2.45 Temporary Disability Benefit

“Temporary Disability Benefit” means the disability benefit provided to a Participant or Vested Terminated Participant who qualifies and elects to receive benefits under Article 7.

2.46 Unions

“Unions” mean the Unions whose members are eligible to participate in the Defined Benefit Plan. These Unions are as follows:

- (a) Wyoming City Employees Union.
- (b) Wyoming Administrative and Supervisory Employees Association.
- (c) Police Officers Labor Council Wyoming Command Division.
- (d) Police Officers Labor Council Wyoming Division.
- (e) Police Officers Labor Council Emergency Communications Operators Unit.
- (f) Wyoming Fire Fighters Association.

For purposes of this definition, an Employee is considered to be a “member” of a Union if the Employee is included in the bargaining unit represented by that Union.

2.47 USERRA

“USERRA” means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

2.48 Vested Terminated Participant

“Vested Terminated Participant” means a former Employee who has met the requirements for participation under Article 3, and who is eligible to receive a benefit from the Defined Benefit Plan or whose Beneficiary may be eligible to receive a benefit from the Defined Benefit Plan, other than the return of his Accumulated Employee Contributions, plus interest.

2.49 Year of Credited Service

“Year of Credited Service” means a year of service used in determining the amount of a Participant’s Accrued Benefit and whether the Participant is vested in the Defined Benefit Plan. A Participant’s Years of Credited Service shall be determined in the manner described in Article 4.

Article 3

Participation

3.1 Eligible Employees

No Employee shall become eligible for the Plan after September 4, 2007 (or an earlier date as set forth in the applicable Schedule for that Benefit Group).

A Participant who is on a leave of absence for Qualified Military Service described in Section 4.2 or another leave of absence approved by Employer shall continue to participate in the Defined Benefit Plan.

3.2 Date of Participation

(a) **Before September 4, 2007** For the period before September 4, 2007 (or an earlier date as set forth in the applicable Schedule for that Benefit Group), each Employee who was eligible under Section 3.1 became a Participant on the later of the Employee's Date of Employment or the date the Employee became eligible under Section 3.1.

(b) **After September 4, 2007** No Employee shall become a Participant after September 4, 2007 because participation in the Plan was "closed to new entrants" as of September 4, 2007 (or an earlier date as set forth in the applicable Schedule for that Benefit Group). The last entry date for the Plan was September 4, 2007.

3.3 Transfer Between Benefit Groups

A Participant who transfers from one Benefit Group to another Benefit Group shall continue to participate in the Defined Benefit Plan regardless of whether he would be eligible to participate in the Defined Benefit Plan in the new Benefit Group.

3.4 Termination of Participation

A Participant who elects to transfer his or her Accrued Benefit to the Defined Contribution Plan in accordance with the applicable Schedule for the Employee's Benefit Group will no longer be a Participant as of the date of transfer. A Participant who elects to participate in the Defined Contribution Plan in accordance with the applicable Schedule for the Employee's Benefit Group, but does not elect to transfer his or her Accrued Benefit to the Defined Contribution Plan, will remain a Participant in the Plan, but will not earn any additional benefits under the Plan. Except to the extent otherwise required by applicable law, if a Participant ceases to be eligible before becoming vested in any benefits under the Defined Benefit Plan, his participation shall cease as of the date he ceases to be eligible. The individual shall be deemed to have received a distribution of his benefits from the Defined Benefit Plan.

3.5 Participation After Reemployment

An Employee who has a Severance from Employment after becoming a Participant shall again be a Participant immediately upon being rehired by Employer, provided the Employee is eligible under Section 3.1 and the Schedule that applies to the Employee's Benefit Group and the Employee has a Deferred Vested Benefit under the Defined Benefit Plan as of his re-employment date. An Employee who does not have a Deferred Vested Benefit under the Defined Benefit Plan as of his re-employment date shall be ineligible to participate in the Defined Benefit Plan.

Article 4

Service

4.1 Credited Service

Years of service used in calculating the amount of a Participant's Accrued Benefit under the Defined Benefit Plan and whether the Accrued Benefit is vested are called Years of Credited Service.

(a) **General Rule** Subject to the other provisions of this Section, all years of employment with Employer in job classifications that are eligible for participation in the Defined Benefit Plan shall be counted in determining a Participant's Years of Credited Service.

(b) **Rules of Calculation** A Participant will receive credit for Years of Credited Service for each Calendar Year in which the Participant has at least 1,000 Hours of Service.

(c) **Reciprocal Service** A Participant may be credited with additional Years of Credited Service for service with another governmental entity as provided in the Reciprocal Retirement Act of 1961, as amended (MCL § 38.1101, et. seq.).

4.2 Military Service

An individual who leaves employment with Employer to enter any armed service of the United States shall receive Years of Credited Service for the periods of military service subject to the following conditions:

(a) The Participant must return to active employment with Employer within 90 days from and after the date of termination of military service or within any longer period during which the Participant's reemployment rights may be protected by law following termination of military service.

(b) The Participant must repay the total amount of any Accumulated Employee Contributions distributed to him from the Defined Benefit Plan, plus interest (compounded annually). The interest rate for each Plan Year between the distribution date and the repayment date shall be 120 percent of the federal mid-term rate under Section 1274 of the Code on the first day of the Plan Year. These amounts must be repaid during the repayment period established by the Board of Trustees. For repayments protected by USERRA, this period shall not be shorter than the repayment period provided under USERRA. The USERRA repayment period begins on the date the Participant is reemployed by Employer and lasts until the earlier of:

(1) The fifth anniversary of the Participant's reemployment; or

(2) The date on which the repayment period is three times as long as the Participant's Period of Qualified Military Service.

(c) No Years of Credited Service shall be credited on account of periods of military service which shall be used for obtaining or increasing a benefit under another retirement system, except as required by applicable law.

(d) Notwithstanding any provision of the Defined Benefit Plan to the contrary, contributions, benefits and service credit with respect to Qualified Military Service shall be provided in accordance with Section 414(u) of the Code and USERRA.

4.3 Recrediting of Service After Reemployment

A Participant's service is recredited after reemployment as follows:

(a) **General Rule** If a Participant has a Severance from Employment and is subsequently reemployed by Employer, his prior Years of Credited Service shall be restored if the Participant had vested benefits prior to his Severance from Employment, or, if he did not have vested benefits, the break in employment with Employer is less than four years.

(b) **Special Rule Where a Participant Received a Distribution of Accumulated Employee Contributions** If a Participant receives a distribution of Accumulated Employee Contributions from the Defined Benefit Plan and is subsequently rehired by Employer and is eligible to participate in the Defined Benefit Plan, his Years of Credited Service earned due to employment either before July 3, 1978, or during the time period in which the Participant was a member of a Benefit Group in which Employee contributions are required under Article 12, shall be disregarded in determining his Accrued Benefit after reemployment.

4.4 Transferred Employees

A Participant who is actively employed by Employer who transfers to a job classification that makes him ineligible for further participation in the Defined Benefit Plan shall retain his rights to a benefit under the Defined Benefit Plan (to the extent vested). His Years of Credited Service shall only be based upon service in an eligible job classification.

Article 5

Normal Retirement Benefit

5.1 Eligibility for Benefit

A Participant who is actively employed by Employer shall have a nonforfeitable right to a Normal Retirement Benefit upon attaining Normal Retirement Age. Accordingly, a Participant who has a Severance from Employment on or after attaining Normal Retirement Age shall be eligible to receive a Normal Retirement Benefit.

5.2 Amount of Benefit

The amount of benefit shall be determined as follows:

(a) **General Rule** The monthly pension benefit payable for life to a Participant who has had a Severance from Employment after becoming eligible for a Normal Retirement Benefit shall equal the Participant's Years of Credited Service multiplied by the benefit formula applicable to the Participant's Benefit Group on the date the Participant's Severance from Employment occurs. The amount shall be determined as if the Participant's total Years of Credited Service were under that Benefit Group.

(b) **Benefit Formula** The benefit formula for determining the amount of a Participant's monthly pension benefit for each Benefit Group shall be set forth in the applicable Schedule for that Benefit Group.

(c) **Annual Pension Adjustment** Annual pension adjustments, if any, for Participants in a Benefit Group shall be made as set forth in the applicable Schedule for that Benefit Group.

5.3 Commencement of Benefit

A Normal Retirement Benefit shall be payable to a Participant after the Participant's Severance from Employment if the Participant is eligible for, and has applied for, a Normal Retirement Benefit. Benefits shall be paid no later than the last working day of each month until the death of the Participant. Benefits after the Participant's death, if any, depend on the form of benefit payment elected by the Participant.

5.4 Form of Payment Used in Determining Amount of Benefit

The amount of benefit determined under this Article is based on payment in the form of a Straight Life Annuity. If actual payment is in a different form, the amount of the actual benefit shall be adjusted to be the Actuarial Equivalent of a Straight Life Annuity.

5.5 Adjusted Amount for Late Payment

The amount of a Participant's benefits under this Article is based upon payment beginning on the first day of the month after the Participant's actual retirement date. If payment begins later than this date and the delay is caused by the Participant, the amount of the Participant's benefit shall be the Actuarial Equivalent of the Participant's Accrued Benefit on the first day of the month after the Participant's actual retirement date. Payment is not made retroactive to the Participant's actual retirement date unless any delay in making payments is not caused by the Participant.

5.6 Form of Benefit

A Normal Retirement Benefit shall be payable in the form determined under Article 10.

Article 6

Early Retirement Benefit

6.1 Eligibility for Benefit

To the extent provided in the Schedule that applies to the Participant's Benefit Group, a Participant shall have a nonforfeitable right to an Early Retirement Benefit if his Severance from Employment occurs after attaining early retirement age, but before attaining Normal Retirement Age. The definition of early retirement age for each Benefit Group eligible for an Early Retirement Benefit shall be set forth in the applicable Schedule for that Benefit Group.

6.2 Amount of Benefit

The monthly pension benefit payable to a Participant who is entitled to an Early Retirement Benefit shall be an amount equal to his Accrued Benefit determined as of his Early Retirement Date reduced for each month his pension starts before his Normal Retirement Age, to the extent the applicable Schedule for the Participant's Benefit Group provides for a reduction for payment before Normal Retirement Age.

6.3 Commencement of Benefit

An Early Retirement Benefit shall be payable to a Participant after the Participant's Severance from Employment if the Participant is eligible for, and has applied for, an Early Retirement Benefit. Benefits shall be paid no later than the last working day of each month until the Participant's death. Benefits after the Participant's death, if any, depend on the form of benefits elected by the Participant.

6.4 Form of Payment Used in Determining Amount of Benefit

The amount of benefit determined under this Article is based on payment in the form of a Straight Life Annuity. If actual payment is in a different form, the amount of the actual benefit shall be adjusted to be the Actuarial Equivalent of a Straight Life Annuity.

6.5 Adjusted Amount for Late Payment

The amount of a Participant's benefits under this Article is based upon payment beginning on or before the Participant's Normal Retirement Date. If payment begins after the Participant's Normal Retirement Date, the amount of the Participant's benefit shall be the Actuarial Equivalent of the Participant's Accrued Benefit as of the Participant's Normal Retirement Date. Payment is not made retroactive to the Participant's Normal Retirement Date.

6.6 Form of Benefit

An Early Retirement Benefit shall be payable in the form determined under Article 10.

Article 7

Temporary Disability Benefit

7.1 Eligibility for Benefit

A Participant who has the minimum number of Years of Credited Service for his Benefit Group, as set forth in the applicable Schedule for his Benefit Group, shall be eligible for a Temporary Disability Benefit if he becomes incapacitated for continued employment with Employer as a result of a total disability. "Total disability" or "totally disabled" means the Participant is totally incapacitated for continued employment with Employer as a result of a physical or mental condition of the Participant. The Participant must be totally disabled prior to the date of his Severance from Employment in order to be eligible for a Temporary Disability Benefit.

The existence of total disability shall be determined by the Board of Trustees. In making its determination, the Board of Trustees shall consider the reports of physician(s) and/or other health care provider(s) which are supplied by the Participant and any other facts the Board of Trustees deems relevant. Further, the Board of Trustees may require the Participant to be examined by physician(s) and/or other health care provider(s) selected by the Board of Trustees in order to make its determination. Any examinations ordered by the Board of Trustees shall be paid for by the Defined Benefit Plan and shall not be the financial responsibility of the Participant.

If the Board of Trustees determines that a Participant is totally disabled and eligible for a Temporary Disability Benefit, the Board of Trustees may periodically review its determination to confirm that the Participant continues to be totally disabled and eligible for a Temporary Disability Benefit.

7.2 Amount of Benefit

The monthly pension benefit payable to a Participant who is entitled to a Temporary Disability Benefit shall be an amount equal to the Participant's Accrued Benefit as of the date approved by the Board of Trustees, unreduced for payment before the Participant's Normal Retirement Date.

7.3 Commencement of Benefit

A Temporary Disability Benefit shall be payable to a Participant after the Participant last performed services for Employer if the Participant is eligible for, has applied and been approved for, a Temporary Disability Benefit.

Benefits shall be paid no later than the last working day of each month until the Participant's death or the date the Participant attains the minimum age requirement to be eligible for a Normal Retirement Benefit, whichever is earlier. Upon attaining the minimum age requirement to be eligible for a Normal Retirement Benefit, the Participant shall receive a Normal Retirement Benefit in an amount equal to the Participant's Accrued Benefit as of the date approved by the Board of Trustees.

7.4 Form of Payment Used in Determining Amount of Benefit

The amount of benefit determined under this Article is based on payment in the form of a Straight Life Annuity.

7.5 Form of Benefit

A Temporary Disability Benefit shall be payable in the form determined under Article 10. Except to the extent provided otherwise in the applicable Schedule for the Participant's Benefit Group, the form elected shall continue when the Participant's Temporary Disability Benefit becomes a Normal Retirement Benefit as described in Section 7.3 of this Article.

7.6 Duty Disability - Special Rules

In the event the Participant's total disability results in the payment of benefits, other than medical expense benefits, under the workers' compensation laws of the state of Michigan, the following special rules shall apply:

(a) The minimum number of Years of Credited Service requirement described in Section 7.1 shall be waived.

(b) If the Participant had less than the minimum number of Years of Credited Service requirement described in Section 7.1, the amount of the Participant's monthly pension benefit shall be calculated as if the Participant had completed exactly the minimum number of Years of Credited Service requirement.

The applicable Schedule for a Benefit Group may contain additional special rules that apply in a duty disability situation.

7.7 Continuation Subject to Reexamination and Return to Employment Rules

As part of or in addition to the Board of Trustees' periodic review of total disability described in Section 7.1, the Board of Trustees may periodically require a Participant to undergo an examination by physician(s) and/or other health care provider(s) selected by the Board of Trustees to determine if the Participant continues to be totally disabled and eligible for a Temporary Disability Benefit. If the Participant refuses to submit to an examination, payment of benefits may be suspended by the Board of Trustees until the Participant submits to the examination. If the Participant's refusal continues for one year, all of the Participant's rights in and to a Temporary Disability Benefit may be revoked by the Board of Trustees.

The Participant's Temporary Disability Benefit shall be discontinued, if, following the examination, the physician(s) and/or other health care provider(s) certify that the Participant is sufficiently recovered so that the Participant no longer has a total disability and the Board of Trustees concurs in the certification. Employer shall be allowed reasonable latitude, to the extent permitted by applicable law, in placing the Participant in a position commensurate with the position held by the Participant at the time he became totally disabled.

A Participant who has been restored to employment with Employer shall again become a Participant in the Defined Benefit Plan, if eligible under Section 3.1. The Participant's Years of Credited Service at the time he became totally disabled shall be restored. However, service shall not be credited for the period the Participant was being paid a Temporary Disability Benefit.

A Participant who is certified to have sufficiently recovered as described above, who does not return to employment and who had completed the minimum number of Years of Credited Service requirement to be eligible for a Deferred Vested Benefit at the time he became totally disabled shall be entitled to a Deferred Vested Benefit in accordance with Article 9.

Article 8

Death Benefit

8.1 Spousal Death Benefit

The Spouse of a Participant shall be eligible to receive a death benefit if the Participant dies after satisfying the following requirements, but before receiving any benefits from the Defined Benefit Plan:

- (a) The Participant was married to the Spouse at the time of death;
- (b) The Participant did not complete a Beneficiary designation form and submit it to Employer pursuant to Section 8.2; and
- (c) The Participant died after satisfying the service requirement for his Benefit Group as set forth in the applicable Schedule.

8.2 Non-Spouse Death Benefit

A Beneficiary of a married or unmarried Participant who has satisfied the service requirement described in Section 8.1(c) shall be eligible for a non-Spouse death benefit pursuant to this Section. In order for a married Participant to elect a non-Spouse death benefit pursuant to this Section, the Participant's Spouse must consent in writing to the Participant's election of the non-Spouse death benefit and the Participant's naming of another Beneficiary. The Spouse's consent must be witnessed by a notary public. The Beneficiary shall be designated by the Participant on a form provided by the Board of Trustees. The Participant may change the Beneficiary designation at any time by completing and filing a new form with the City's Finance Department.

8.3 Amount of Death Benefit

If the Participant dies while employed by Employer or while on a leave of absence from Employer to perform Qualified Military Service, the amount of the monthly benefit payable to a Spouse or Beneficiary who is entitled to a death benefit under Section 8.1 or 8.2 will be the amount the Spouse or Beneficiary would have been entitled to receive as a joint and 100%

survivor annuity if the Participant had retired on the day immediately preceding his death even if the Participant had not attained the age necessary for a Normal Retirement Benefit to begin.

If a Vested Terminated Participant dies before receiving any benefits from the Defined Benefit Plan, the monthly benefit payable to a Spouse or Beneficiary who is entitled to a death benefit will be the amount the Spouse or Beneficiary would be entitled to receive as a survivor benefit if the Participant survived to the date he would have been eligible to begin receiving his Deferred Vested Benefit but did not earn any additional benefit, elected to receive his distribution in the form of a joint and 100% survivor annuity commencing on the later of his date of death or his Normal Retirement Age and died the following day.

8.4 Commencement of Death Benefit

The monthly death benefit will be payable to a Spouse or Beneficiary who is eligible for, and has applied for, the death benefit. Benefits will be payable no later than the last working day of the month following the death of the Participant, and will be payable no later than the last working day of each subsequent month until the death of the Spouse. However, if the Participant dies after his Severance from Employment, no monthly benefits will be paid before the first day of the month after the Participant would have attained his Normal Retirement Age.

8.5 Form of Death Benefit

The Spouse death benefit shall be payable in the form of a joint and 100% survivor annuity based on the life of the Participant and the Spouse. The non-Spouse death benefit shall be payable in the form of the ten-year period certain and life annuity based on the life of the Participant or the joint and 100% survivor annuity over the lives of the Participant and Beneficiary. If the form of payment is the joint and 100% survivor annuity, the Beneficiary must be dependent upon the Participant for at least 50 percent of the Beneficiary's financial support.

8.6 Duty Death - Special Rules

In the event the Board of Trustees determines that the Participant's death is the natural and proximate result, independent of all other causes, of an injury or illness arising out of and in the course of the Participant's actual performance of duties with Employer, the following special rules apply:

(a) The minimum number of Years of Credited Service requirement described in Section 8.1(c) shall be waived.

(b) The amount of the Spouse's death benefit shall be computed in accordance with Section 8.1, and an additional amount shall be added, if necessary, to provide a minimum death benefit of 25 percent of the Participant's Average Monthly Compensation.

(c) Any additional amount of death benefit paid to a Spouse pursuant to Section 8.6(b) shall terminate upon the remarriage of the Spouse.

(d) During periods that a death benefit is not being paid to a Spouse, the surviving children of the Participant who are under age 18 shall be paid a death benefit calculated in accordance with Section 8.6(b). If there is more than one surviving child, the death benefit shall be distributed to the children in equal shares. The death benefit shall terminate upon the earlier of the child's attainment of age 18, marriage, adoption or death.

8.7 Non-Spouse Beneficiary

The Participant may designate a trust as Beneficiary. The Board of Trustees shall determine the rights of any trustee designated as a Beneficiary without responsibility for determining the validity, existence or provisions of that trust, and shall not have responsibility for the application of sums paid to that trustee or for the discharge of the trust.

The rules of this paragraph apply unless provided otherwise in a Participant's Beneficiary designation form. If a Participant designates one primary Beneficiary and the Beneficiary dies after the Participant but before benefit payments are completed, any remaining benefits will be payable to the secondary Beneficiary. If a Participant fails to designate a secondary Beneficiary or if no secondary Beneficiary survives the primary Beneficiary, any remaining benefits will be payable to the deceased primary Beneficiary's heirs in the manner described in the next paragraph. If a Participant designates more than one primary Beneficiary or more than one secondary Beneficiary and a Beneficiary dies before benefit payments are completed, the share payable to the deceased Beneficiary must be paid to the deceased Beneficiary's heirs in the manner described in the next paragraph as if the Beneficiary was the Participant.

If a Beneficiary of an unmarried Participant would be eligible for a non-Spouse death benefit, but the Participant dies before signing and filing a Beneficiary designation form with the Board of Trustees, or if the Beneficiary named in the unmarried Participant's Beneficiary designation form does not survive the unmarried Participant, the unmarried Participant's non-Spouse death benefit shall be paid in equal shares to the members of the first of the classes listed below having a living member on the date the distribution is payable in the form of the ten-year period certain and life annuity. The classes, in order of priority, are as follows:

(a) The unmarried Participant's children or their then-living issue, by right of representation; and

(b) The individual's estate, if under active administrator, and if not, the legal heirs of the unmarried Participant under the laws of the unmarried Participant's state of residence on the date of the unmarried Participant's death.

A Beneficiary is permitted to disclaim the Beneficiary's rights to a death benefit under the Plan to the extent permitted by applicable law. If this occurs, the Beneficiary shall be treated as predeceasing the Participant for purposes of this Section.

The records of the City shall be conclusive as to the proper payee and the amount payable. A distribution made based upon these facts shall be treated as a complete discharge of all obligations under the Plan.

8.8 Rollover by Non-Spouse Beneficiary

A Beneficiary who is not the Participant's Spouse shall be permitted to elect a direct rollover to an individual retirement account of any lump sum death benefit payable to the Beneficiary as provided in Article 19 or Section 10.3(c).

Article 9

Deferred Vested Benefit

9.1 Eligibility for Benefit

A Participant shall be eligible for a Deferred Vested Benefit if he has a Severance from Employment after satisfying the service requirement set forth in the applicable Schedule for his Benefit Group, but before qualifying for any other benefit under the Defined Benefit Plan. Except as provided in Section 12.2, a Participant who has a Severance from Employment before qualifying for a Deferred Vested Benefit or any other benefit shall not receive any benefit from the Defined Benefit Plan.

9.2 Amount of Benefit

The monthly retirement benefit payable to a Participant who is eligible for a Deferred Vested Benefit shall be an amount equal to the Participant's Accrued Benefit as of his Severance from Employment.

9.3 Commencement of Benefit

A Deferred Vested Benefit shall be payable to a Vested Terminated Participant who becomes eligible for, and has applied for, a Deferred Vested Benefit. Benefits shall commence no earlier than the Vested Terminated Participant's attainment of the minimum age requirement to be eligible for a Normal Retirement Benefit and shall be paid no later than the last working day of each month until the death of the Vested Terminated Participant. Benefits after the Vested Terminated Participant's death, if any, depend on the form of benefit payment elected by the Vested Terminated Participant.

9.4 Form of Payment Used in Determining Amount of Benefit

The amount of benefit determined under this Article is based on payment in the form of a Straight Life Annuity. If actual payment is in a different form, the amount of the actual benefit shall be adjusted to be the Actuarial Equivalent of a Straight Life Annuity.

9.5 Adjusted Amount for Late Payment

The amount of a Participant's benefits under this Article is based upon payment beginning on or before the Participant's Normal Retirement Date. If payment begins after the Participant's Normal Retirement Date, the amount of the Participant's benefit shall be the Actuarial Equivalent of the Participant's Accrued Benefit as of the Participant's Normal Retirement Date. Payment is not made retroactive to the Participant's Normal Retirement Date.

9.6 Form of Benefit

A Deferred Vested Benefit shall be payable in the form determined under Article 10.

Article 10

Forms of Payment

10.1 Application for Pension Benefits

No pension benefits shall be payable under the Defined Benefit Plan with respect to any period which is prior to the date an application for pension benefits is received and approved by the Board of Trustees, unless the Board of Trustees determines under nondiscriminatory rules that the delay was not due to negligence of the Participant or Vested Terminated Participant.

10.2 Automatic Form of Benefit Payment

Unless a Participant or Vested Terminated Participant elects an optional form of payment, as described in Section 10.3, his Normal Retirement Benefit, Early Retirement Benefit, or Deferred Vested Benefit shall automatically be paid under whichever of the forms applies at the time payments commence:

(a) If the Participant is not married as of his Annuity Starting Date, a Straight Life Annuity; or

(b) If the Participant is married as of his Annuity Starting Date, a monthly benefit for the life of the Participant or Vested Terminated Participant, with a survivor benefit for the life of his Spouse, if living, equal to 100 percent of the amount payable during the life of the Participant or Vested Terminated Participant. No survivor benefit shall be paid if the Spouse does not survive the Participant or Vested Terminated Participant. If the Participant re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse.

The amount of any form of payment other than a Straight Life Annuity form shall be the Actuarial Equivalent of the Straight Life Annuity form.

The automatic forms of payment described in this Section apply to any Participant whose Annuity Starting Date is on and after July 1, 2011, even if the Participant's Severance from Employment occurred before that date.

10.3 Optional Forms of Benefit Payment

If a Participant or Vested Terminated Participant waives the automatic form of payment provided in Section 10.2, he may elect one of the following optional forms of payment:

(a) **Option A: Straight Life Annuity** A monthly benefit for the life of the Participant or Vested Terminated Participant with no payments after the death of the Participant or Vested Terminated Participant.

(b) **Option B: Joint and 50 Percent Survivor Annuity** A monthly benefit for the life of the Participant or Vested Terminated Participant, with a survivor benefit for the life of his Spouse, if living, equal to 50 percent of the amount payable during the life of the Participant or Vested Terminated Participant. No survivor benefit shall be paid if the Spouse does not survive the Participant or Vested Terminated Participant. If the Participant re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse.

(c) **Option C: Ten-Year Period Certain and Life Annuity** A monthly benefit for the life of the Participant or Vested Terminated Participant, with a guarantee of a minimum of 120 monthly payments. If the Participant or Vested Terminated Participant dies before the minimum number of payments are made, monthly payments shall continue to his Beneficiary until the total number of payments made to the Participant or Vested Terminated Participant and his Beneficiary equal the guaranteed minimum number of payments. Alternatively, upon the death of the Participant or Vested Terminated Participant, the Beneficiary may elect to receive a single lump sum equal to the present value of the remaining guaranteed minimum number of payments. The lump sum shall be the Actuarial Equivalent of the Straight Life Annuity form. The Participant or Vested Terminated Participant may change his Beneficiary at any time before his death.

(d) **Option D: Joint and 100 Percent Survivor Annuity with Pop-Up Feature** A monthly benefit for the life of the Participant or Vested Terminated Participant with a survivor benefit for the life of his Spouse, if living, equal to 100 percent of the amount payable during the life of the Participant or Vested Terminated Participant. If the Participant or Vested Terminated Participant's Spouse predeceases the Participant or Vested Terminated Participant or if the Participant and Spouse divorce and a domestic relations order provides that the Spouse waives all rights to the Participant's benefit under the Plan, the monthly benefit payable to the Participant or Vested Terminated Participant shall increase to the amount that the Participant or Vested Terminated Participant would have received if his monthly benefit had been paid in the form of a Straight Life Annuity. The increase shall occur after the City receives evidence, satisfactory to the City, of the Spouse's death or that a domestic relations order with the necessary language has been issued and shall be retroactive to the day following

the Spouse's date of death or the date the Employer receives the domestic relations order. If the Participant re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse.

(e) **Option E: Joint and 50 Percent Survivor Annuity with Pop-Up Feature** A monthly benefit for the life of the Participant or Vested Terminated Participant with a survivor benefit for the life of his Spouse, if living, equal to 50% of the amount payable during the life of the Participant or Vested Terminated Participant. If the Participant or Vested Terminated Participant's Spouse predeceases the Participant or Vested Terminated Participant or if the Participant and Spouse divorce and a domestic relations order provides that the Spouse waives all rights to the Participant's benefit under the Plan, the monthly benefit payable to the Participant or Vested Terminated Participant shall increase to the amount that the Participant or Vested Terminated Participant would have received if his monthly benefit had been paid in the form of a Straight Life Annuity. The increase shall occur after the City receives evidence, satisfactory to the City, of the Spouse's death or that a domestic relations order with the necessary language has been issued and shall be retroactive to the day following the Spouse's date of death or the date the Employer receives the domestic relations order. If the Participant re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse.

An optional form of payment shall be elected by the Participant or Vested Terminated Participant in writing on a form provided by the Board of Trustees. The election is irrevocable as of the date his benefits begin, but may be periodically changed prior to that date. Other optional forms of payment may be available to certain groups of Participants and Vested Terminated Participants as set forth in the applicable Schedule.

10.4 Eligible Rollover Distributions

If a Distributee receives an Eligible Rollover Distribution from the Defined Benefit Plan, the following rules supersede any other provisions in this Article.

(a) **Notice Requirement** No less than 30 days and no more than 180 days before a distribution, the Board of Trustees shall provide the Distributee with a written explanation of:

(1) The rules under which the distribution may be paid in a Direct Rollover to an Eligible Retirement Plan;

(2) The rules that require income tax withholding if the distribution is not paid in a Direct Rollover;

(3) The rules under which the Distributee may roll over the distribution within 60 days of receipt; and

(4) Any other applicable tax rules.

However, the Distributee may elect to begin receiving benefits within 30 days after being provided the written notice, provided the Distributee is given at least 30 days after receipt of the written notice to consider whether or not to receive a Direct Rollover and the Distributee is clearly informed of this right.

(b) **Direct Rollover** The Distributee may elect a Direct Rollover of the distribution to an Eligible Retirement Plan. However, the Distributee's right to elect a Direct Rollover is subject to the following:

(1) A Distributee's election to make or not make a Direct Rollover with respect to one payment in a series of payments applies to all subsequent payments. However, the Distributee may change his election at any time;

(2) A Distributee may not elect a Direct Rollover to more than one Eligible Retirement Plan; and

(3) The Distributee shall supply the Board of Trustees with any information the Board of Trustees reasonably requests in connection with the Direct Rollover.

(c) **Income Tax Withholding** Mandatory income tax withholding shall apply to the portion of the Eligible Rollover Distribution for which the Distributee does not elect a Direct Rollover.

(d) **Definitions** The following definitions apply for purposes of this Section:

(1) **"Direct Rollover"** means the payment of an Eligible Rollover Distribution by the Defined Benefit Plan to an Eligible Retirement Plan specified by the Distributee.

(2) **"Distributee"** means a Participant, Vested Terminated Participant, Spouse of a Participant or Vested Terminated Participant, an alternate payee under an Eligible Domestic Relations Order or a Beneficiary who is not the Participant's Spouse.

(3) **"Eligible Retirement Plan"** means an eligible retirement plan, as defined in Section 401(a)(31) of the Code. An Eligible Retirement Plan includes:

(A) An IRA or Roth IRA;

(B) A plan described in Sections 403(a) or 403(b) of the Code;

(C) A Qualified Plan; and

(D) 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 (an “eligible Section 457 plan”). However, an eligible Section 457 plan is an eligible retirement plan only if it agrees to separately account for amounts transferred into such plan from the Defined Benefit Plan.

(4) “**Eligible Rollover Distribution**” means an eligible rollover distribution under Section 402(c)(4) of the Code. This includes any distribution of benefits, except the following:

(A) A distribution that is required under Section 401(a)(9) of the Code (for example, after a Vested Terminated Participant attains age 70½);

(B) A distribution for a specified period of ten or more years; or

(C) A distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the Distributee and his Beneficiary.

(D) Any portion of the distribution that is not included in the Distributee’s gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(5) “**IRA**” means an individual retirement account described in Section 408(a) of the Code, or an individual retirement annuity described in Section 408(b) of the Code.

(6) “**Roth IRA**” means a Roth individual retirement account or annuity under Section 408A of the Code.

10.5 **Minimum Distribution Requirements**

(a) **General Rules** The provisions of this Section shall apply for purposes of determining required minimum distributions for Calendar Years beginning with the 2003 Calendar Year. The requirements of this Section shall take precedence over any inconsistent provisions of the Defined Benefit Plan. All distributions required under this Section shall be determined and made in accordance with the regulations under Section 401(a)(9) of the Code, including Treas. Reg. §1.401(a)(9)-6.

(b) **Time and Manner of Distribution** A Participant’s or Vested Terminated Participant’s entire interest shall be distributed, or begin to be distributed, to the Participant no later than his Required Beginning Date.

(1) **Definition of Required Beginning Date** A Participant's or Vested Terminated Participant's required beginning date is the April 1 of the Calendar Year following the later of:

(A) The Calendar Year in which the Participant or Vested Terminated Participant attains age 70½; or

(B) The Calendar Year in which the Participant's or Vested Terminated Participant's Severance from Employment occurs.

(2) **Death of Participant Before Distributions Begin** If a Participant or Vested Terminated Participant dies before distributions begin, his entire interest shall be distributed, or begin to be distributed, no later than as follows:

(A) If the Participant's or Vested Terminated Participant's Spouse is his sole designated Beneficiary, then distributions to the Spouse must begin by the later of:

(i) December 31 of the Calendar Year immediately following the Calendar Year in which the Participant or Vested Terminated Participant died, or

(ii) December 31 of the Calendar Year in which the Participant or Vested Terminated Participant would have attained age 70½.

(B) If the Participant's or Vested Terminated Participant's Spouse is not his sole designated Beneficiary, then distributions to the designated Beneficiary must begin by December 31 of the Calendar Year immediately following the Calendar Year in which the Participant or Vested Terminated Participant died.

(C) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's or Vested Terminated Participant's death, the Participant's or Vested Terminated Participant's entire interest must be distributed by December 31 of the Calendar Year containing the fifth anniversary of the Participant's or Vested Terminated Participant's death.

(D) If the Participant's or Vested Terminated Participant's Spouse is his sole designated Beneficiary and the Spouse dies after the Participant or Vested Terminated Participant but before distributions to the Spouse begin, this subsection (b)(2), other than subsection (b)(2)(A), shall apply as if the Spouse were the Participant or Vested Terminated Participant.

For purposes of this subsection (b)(2) and subsection (e), distributions are considered to begin on the Participant's or Vested Terminated Participant's required beginning date (or, if subsection (b)(2)(D) applies, the date distributions are required to begin to the Spouse under subsection (b)(2)(A)). If annuity payments irrevocably commence to the Participant or Vested Terminated Participant before his required beginning date (or to his Spouse before the date distributions are required to begin to the Spouse under subsection (b)(2)(A)), the date distributions are considered to begin is the date distributions actually commence.

(3) Form of Distribution Unless the Participant's or Vested Terminated 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, distributions beginning with the first distribution Calendar Year shall be made in accordance with subsections (c), (d) and (e). If the Participant's or Vested Terminated Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder shall be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury regulations. Any part of the Participant's or Vested Terminated Participant's interest which is in the form of an individual account described in Section 414(k) of the Code shall be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

(c) Determination of Amount to be Distributed Each Year The amount to be distributed each Calendar Year shall be determined as follows:

(1) General Annuity Requirements If the Participant's or Vested Terminated Participant's interest is paid in the form of annuity distributions under the Defined Benefit Plan, payments under the annuity shall satisfy the following requirements:

(A) The annuity distributions shall be paid in periodic payments made at intervals not longer than one year;

(B) The distribution period shall be over a life (or lives) or over a period certain not longer than the period described in subsection (d) or (e);

(C) Once payments have begun over a period certain, the period certain shall not be changed even if the period certain is shorter than the maximum permitted;

(D) Payments shall either be nonincreasing 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 federal Bureau of Labor Statistics;

(ii) To the extent of the reduction in the amount of the Participant's or Vested Terminated Participant's payments to provide for a survivor benefit upon death, but only if the designated Beneficiary whose life was being used to determine the distribution period described in subsection (d) dies or is no longer the Participant's or Vested Terminated Participant's designated Beneficiary pursuant to an Eligible Domestic Relations Order;

(iii) To provide cash refunds of Employee contributions upon the Participant's or Vested Terminated Participant's death; or

(iv) To pay increased benefits that result from a Defined Benefit Plan amendment.

(2) **Amount Required to be Distributed by Required Beginning Date** The amount that must be distributed on or before the Participant's or Vested Terminated Participant's required beginning date (or, if the Participant or Vested Terminated Participant dies before distributions begin, the date distributions are required to begin under subsection (b)(2)(A) or (B) 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 or Vested Terminated Participant's benefit accruals as of the last day of the first distribution Calendar Year shall be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's or Vested Terminated Participant's required beginning date.

(3) **Additional Accruals After First Distribution Calendar Year** Any additional benefits accruing to the Participant or Vested Terminated Participant in a Calendar Year after the first distribution Calendar Year shall be distributed beginning with the first payment interval ending in the Calendar Year immediately following the Calendar Year in which such amount accrues.

(d) **Requirements for Annuity Distributions that Commence During Participant's Lifetime** The following requirements apply for annuity distributions that commence during a Participant's or Vested Terminated Participant's lifetime:

(1) **Joint Life Annuities Where the Beneficiary is Not The Participant's Spouse** If the Participant's or Vested Terminated Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant or Vested Terminated Participant and a nonspouse

Beneficiary, annuity payments to be made on or after the Participant's or Vested Terminated Participant's required beginning date to the designated Beneficiary after the Participant's or Vested Terminated 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 or Vested Terminated Participant using the table set forth in Q&A 2 of Treas. Reg. §1.401(a)(9)-6 and the adjusted Participant/Beneficiary age difference. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant or Vested Terminated Participant and a nonspouse designated Beneficiary and a period certain annuity, the requirement in the preceding sentence shall apply to annuity payments to be made to the designated Beneficiary after the expiration of the period certain.

(2) **Period Certain Annuities** Unless the Participant's or Vested Terminated 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 or Vested Terminated Participant's lifetime may not exceed the applicable distribution period set forth under the Uniform Lifetime Table set forth in Treas. Reg. §1.401(a)(9)-9 for the Calendar Year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant or Vested Terminated Participant reaches age 70, the applicable distribution period for the Participant or Vested Terminated Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Treas. Reg. §1.401(a)(9)-9 plus the excess of 70 over the age of the Participant or Vested Terminated Participant as of his birthday in the year that contains the Annuity Starting Date. If the Participant's or Vested Terminated Participant's Spouse is his 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 or Vested Terminated Participant's applicable distribution period, as determined under this subsection (d)(2) of this Section, or the joint life and last survivor expectancy of the Participant or Vested Terminated Participant and his Spouse as determined under the Joint and Last Survivor Table set forth in Treas. Reg. §1.401(a)(9)-9, using the Participant's or Vested Terminated Participant's and Spouse's attained ages as of the Participant's or Vested Terminated Participant's and Spouse's birthdays in the Calendar Year that contains the Annuity Starting Date.

(e) **Requirements for Minimum Distributions Where Participant Dies Before Date Distributions Begin** The following rules apply if a Participant or Vested Terminated Participant dies before distributions begin:

(1) **Participant Survived by Designated Beneficiary** If the Participant or Vested Terminated Participant dies before the date distribution of his interest begins and there is a designated Beneficiary, the Participant's or Vested Terminated Participant's entire interest shall be distributed, beginning no later than the time described in subsections (b)(2)(A) or (B), over the life of the designated Beneficiary or over a period certain not exceeding:

(A) Unless the Annuity Starting Date is before the first distribution Calendar Year, the life expectancy of the designated Beneficiary determined using the designated Beneficiary's age as of the designated Beneficiary's birthday in the Calendar Year immediately following the Calendar Year of the Participant's or Vested Terminated Participant's death; or

(B) If the Annuity Starting Date is before the first distribution Calendar Year, the life expectancy of the designated Beneficiary determined using the designated Beneficiary's age as of the designated Beneficiary's birthday in the Calendar Year that contains the Annuity Starting Date.

(2) **No Designated Beneficiary** If the Participant or Vested Terminated 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 or Vested Terminated Participant's death, distribution of his entire interest shall be completed by December 31 of the Calendar Year containing the fifth anniversary of the Participant's or Vested Terminated Participant's death.

(3) **Death of Spouse Before Distributions to the Spouse Begin** If the Participant or Vested Terminated Participant dies before the date distribution of his interest begins, the Participant's or Vested Terminated Participant's Spouse is his sole designated Beneficiary, and the Spouse dies before distributions to the Spouse begin, this subsection (e)(3) shall apply as if the Spouse were the Participant or Vested Terminated Participant, except that the time by which distributions must begin shall be determined without regard to subsection (b)(2)(A).

(f) **Definitions** This subsection contains definitions of terms for purposes of this Section. Other terms that are not defined in this subsection shall have the same meaning as in Article 2.

(1) **Designated Beneficiary** The individual who is designated as the Beneficiary under the Defined Benefit Plan and is the designated Beneficiary under Section 401(a)(9) of the Code and Treas. Reg. §1.401(a)(9) 4.

(2) **Distribution Calendar Year** 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 or Vested Terminated Participant's required beginning date. For distributions beginning after the Participant's or Vested Terminated Participant's death, the first distribution Calendar Year is the Calendar Year in which distributions are required to begin pursuant to subsection (b)(2)(A).

(3) **Joint and Survivor Annuity** A form of benefit payment that provides a monthly benefit to the Participant or Vested Terminated Participant during his life and, if the Participant or Vested Terminated Participant is survived by a Beneficiary, a monthly survivor benefit for the remaining portion of the Beneficiary's life.

(4) **Life Expectancy** Life expectancy as computed by use of the single life table in Treas. Reg. §1.401(a)(9)-9.

(5) **Required Beginning Date** The date specified in subsection (b)(1).

10.6 Lost Participants and Uncashed Benefit Checks

(a) **Forfeiture of Accrued Benefit** If the vested portion of a Participant's Accrued Benefit is payable under this Article and the Plan Administrator cannot locate the Participant after a reasonable search, the Participant shall be deemed to be "lost." The Plan Administrator may then treat the Participant's vested Accrued Benefit as a forfeiture.

(b) **Reasonable Search** For purposes of this Section, a search will be considered to be "reasonable" if the Plan Administrator does the following:

(1) Sends a letter to the Participant at the Participant's last known address and the letter is returned because it is undeliverable, or the check remains uncashed for at least six months; and

(2) The Plan Administrator uses the services of a commercial locator service to determine the Participant's current address, but is unable to contact the Participant for a reason described in subparagraph (A) or (B).

(A) If a current address for the Participant is located, the Plan Administrator sends a letter to the Participant at that address, and

(i) The letter is returned as undeliverable; or

(ii) The check is not cashed within six months.

(B) No current address for the Participant is located.

(c) **Restoration of Accrued Benefit** If the Participant's vested Accrued Benefit is forfeited under this Section and the Participant subsequently applies for benefits under the Plan, the Participant's vested Accrued Benefit shall be reinstated. The Participant shall then be entitled to receive a distribution of the Participant's vested benefits under the Plan.

(d) **Beneficiaries** The provisions in this Section that apply to a Participant shall also apply to the Participant's Beneficiary if the Participant is deceased.

Article 11

Restrictions on Pensions

11.1 No Duplication of Benefits

Except as otherwise specifically provided in the Defined Benefit Plan, a Participant or Vested Terminated Participant shall not receive pension benefits under more than one Article from among Articles 5, 6, 7 and 9. If a Participant or Vested Terminated Participant becomes eligible to receive benefits under two or more of such Articles, the Participant or Vested Terminated Participant shall make a binding and final election as to the one Article under which pension benefits are to be paid.

11.2 Limit on Annual Benefits

The annual pension benefit payable to a Participant from all Defined Benefit Plans maintained by Employer shall not exceed the limits contained in Section 415 of the Code, which is incorporated in the Defined Benefit Plan by reference.

(a) **Limit on Annual Benefit** The annual benefit accrued by a Participant, and the annual benefit payable to a Participant, shall not exceed \$210,000, as adjusted pursuant to Section 415(d) of the Code (the “Section 415 Dollar Limit”).

(b) Adjustments to Section 415 Dollar Limit

(1) If the Participant’s Annuity Starting Date occurs after the Participant attains age 62 and before the Participant attains age 65, no adjustment shall be made to the Section 415 Dollar Limit that applies to the Participant.

(2) If a Participant’s Annuity Starting Date occurs before the Participant attains age 62, the Section 415 Dollar Limit shall be reduced for each month that benefits commence before the month in which the Participant attains age 62. The Section 415 Dollar Limit at any age before age 62 is the lesser of:

(A) The Section 415 Dollar Limit multiplied by a fraction in which the numerator is the annual benefit payable to the Participant as a single life annuity on the Participant’s Annuity Starting Date and the denominator is the annual benefit payable to the Participant as a single life annuity at age 62. The numerator and denominator shall both be determined without applying the rules of Section 415 of the Code; or

(B) An Actuarial Equivalent amount determined using the 5 percent interest rate and the applicable mortality table under Treas. Reg. §1.417(e)-1(d)(2) that is effective for that Annuity Starting Date. However, no adjustment shall be made for the possibility of the Participant’s death between the Participant’s Annuity Starting Date and age 62.

(3) If a Participant's Annuity Starting Date occurs after the Participant attains age 65, the Section 415 Dollar Limit shall be increased for each month that benefits commence after the month in which the Participant attains age 65. The Section 415 Dollar Limit at any age after age 65 is the lesser of:

(A) The Section 415 Dollar Limit multiplied by a fraction in which the numerator is the annual benefit payable to the Participant as a single life annuity on the Participant's Annuity Starting Date (actuarially increased for commencement after age 65, but without regard to benefit accruals after age 65) and the denominator is the annual benefit payable as a single life annuity to a hypothetical Participant who is age 65 and has the same Accrued Benefit as the Participant (but with no actuarial increase for commencement after age 65 and no benefit accruals after age 65). The numerator and denominator shall both be determined without applying the rules of Section 415 of the Code; or

(B) An Actuarial Equivalent amount determined using a 5 percent interest rate and the applicable mortality table under Treas. Reg. §1.417(e)-1(d)(2) that is effective for that Annuity Starting Date. However, no adjustment shall be made for the possibility of the Participant's death between age 65 and the Participant's Annuity Starting Date.

(c) **Adjustments to Limits Based Upon Form of Payment** The limits under Section 415 of the Code are based upon payment in a single life annuity (i.e., an annuity for the lifetime of the Participant). As a result, these limits must be adjusted to the Actuarial Equivalent of a single life annuity if payment is made in a different form. The Actuarial Equivalent of a single life annuity for purposes of Section 415 of the Code shall be:

(1) If payment is made in a form other than a lump sum payment, the greater of:

(A) The annual amount of the single life annuity payable to the Participant under the Defined Benefit Plan commencing on the same Annuity Starting Date as the form of benefit payable to the Participant; or

(B) The annual amount of the single life annuity commencing on the same Annuity Starting Date that is the Actuarial Equivalent of the form of benefit payable to the Participant, computed using a 5 percent interest assumption and the applicable mortality table described in Treas. Reg. §1.417(e)-1(d)(2) for that Annuity Starting Date.

(2) If payment is made in a lump sum distribution, the annual amount of a single life annuity commencing on the Annuity Starting Date that is the Actuarial Equivalent of the benefit payable to the Participant, computed using

one of the following combinations of actuarial assumptions that results in the largest single life annuity:

(A) The applicable interest rate and mortality table (or tabular factor) specified in Article 2 for adjusting benefits in the same form;

(B) A 5.5 percent interest assumption and the applicable mortality table for the distribution under Treas. Reg. §1.417(e)-1(d)(2); or

(C) The applicable interest rate for the distribution under Treas. Reg. §1.417(e)-1(d)(3) and the applicable mortality table for a distribution under Treas. Reg. §1.417(e) 1(d)(2), divided by 1.05.

Benefit increases resulting from the increases in the limitations of Section 415(b) of the Code shall be provided to each Participant who has an Hour of Service after December 31, 2001.

11.3 Coordination with Workers' Disability Compensation Benefits

Workers' disability compensation benefits to which a Participant is entitled pursuant to the Workers' Disability Compensation Act of 1969 (MCL § 418.301 *et. seq.*) shall be coordinated with benefit payments under the Defined Benefit Plan to the extent provided in the Schedule for each Benefit Group.

Article 12

Accumulated Employee Contributions

12.1 Accumulated Employee Contributions

This Article applies to Participants and Vested Terminated Participants who have made Accumulated Employee Contributions to the Defined Benefit Plan. Accumulated Employee Contributions were made to the Defined Benefit Plan for periods prior to July 2, 1978. Between July 3, 1978, and July 1, 2001, no Employee contributions were required or permitted to be made to the Defined Benefit Plan. Effective as of July 2, 2001, certain Benefit Groups were again required to make Employee contributions as a condition of participation in the Defined Benefit Plan. The schedule for each Benefit Group indicates whether Employee contributions are made by members of that Benefit Group.

12.2 Distribution

A Participant who does not have vested benefits who has a Severance from Employment shall be paid his Accumulated Employee Contributions, plus interest awarded in accordance with Article 15, in a lump sum payment upon submitting a written request to the Board of Trustees. If a Participant dies and no benefit shall be payable by the Defined Benefit Plan on account of the Participant's death, the Participant's Accumulated Employee

Contributions, plus interest awarded in accordance with Article 15, shall be paid to the Participant's Beneficiary in a lump sum payment.

12.3 Termination of Pension; Residual Payment

In the event all benefit payments under the Defined Benefit Plan terminate (i.e., upon the Retiree's death) before there has been paid an aggregate amount equal to the Retiree's total Accumulated Employee Contributions made to the Defined Benefit Plan, the difference between the Retiree's total Accumulated Employee Contributions and the aggregate amount of benefit payments made shall be paid to the Retiree's Beneficiary in a lump sum payment.

12.4 Reserve

The reserve for Accumulated Employee Contributions is the account which holds Participants' Accumulated Employee Contributions pending payment or transfer. Interest shall be credited to the individual Participant balances in the reserve for Accumulated Employee Contributions in accordance with Article 15. Accumulated Employee Contributions shall be transferred to the reserve for retired benefit payments upon the retirement or death of the Participant or Vested Terminated Participant, provided the Participant or Vested Terminated Participant is entitled to a retirement benefit under the Defined Benefit Plan or the Beneficiary of the Participant or Vested Terminated Participant is entitled to a death benefit under the Defined Benefit Plan.

At the expiration of the four-year period following the Severance from Employment of a Participant who does not have vested benefits, any amounts in the reserve for Accumulated Employee Contributions unclaimed by the Participant or his Beneficiary shall be forfeited and transferred to the reserve for undistributed investment income.

Article 13

Compulsory Retirement

13.1 General Rule

To the extent permitted by applicable law, each Participant, other than an appointed officer, shall be separated from employment with Employer no later than the first day of the month after the attainment of the age set forth in the applicable Schedule for his Benefit Group.

13.2 Permitted Continuation

A Participant of a Benefit Group may continue to work for Employer beyond the attainment of the age described in Section 13.1, upon satisfying the following requirements:

- (a) The Participant must submit a written request to Employer for continued employment no later than 30 days before his employment is required to terminate pursuant to Section 13.1.

(b) To the extent permitted by applicable law, if requested by Employer, the Participant must furnish medical evidence of his physical capability to perform the essential functions of the Participant's job.

(c) The Participant's request is approved, in writing, by Employer.

To the extent permitted by applicable law, employment with Employer shall not continue beyond the age limit set forth in the applicable Schedule for the Participant's Benefit Group. However, Employer may waive the age limit set forth in the applicable Schedule either for good cause or to comply with applicable law.

Article 14

Administration

14.1 Establishment of Board of Trustees

The Board of Trustees shall consist of the following:

(a) A member of the City Council, appointed by the City Council and to serve at the pleasure of the City Council.

(b) The City Manager.

(c) A resident who is a registered voter of the City who is not an officer or an Employee of Employer and who is not a Participant, Vested Terminated Participant, Retiree or Beneficiary of the Retirement System, to be appointed by the City Council.

(d) One Participant in the Retirement System who is a member of the Administrative and Supervisory Benefit Group or Administrative Contract Benefit Group, to be elected by the Participants in the Retirement System who are members of the Administrative and Supervisory Benefit Group and Administrative Contract Benefit Group.

(e) One Participant in the Retirement System who is a member of the General Benefit Group, to be elected by the Participants in the Retirement System who are members of the General Benefit Group.

(f) One Participant in the Retirement System who is a member of the Public Safety Benefit Group (consisting of the Police Command Benefit Group, the Police Nonsupervisory Benefit Group and the Fire Benefit Group), to be elected by the Participants in the Retirement System who are members of the Public Safety Benefit Group.

Election of the members listed in (d), (e), (f) above shall be held in accordance with rules adopted by the Board of Trustees. The Board of Trustees shall adopt its own rules and procedures and shall keep a record of its proceedings. Four trustees shall constitute a quorum at

any meeting of the Board of Trustees and at least four concurring votes shall be necessary for any decision by the Board of Trustees.

14.2 Term of Office; Vacancy

The regular term of office of the citizen trustee described in Section 14.1(c) and the Participant-elected trustees described in Sections 14.1(d), (e) and (f) shall be three years. The term of the Administrative Group trustee shall expire on June 30, 2013, the term of the Public Safety Group trustee shall expire on June 30, 2015 and the terms of the Citizen trustee and the General Benefits Group trustee shall expire on June 30, 2014. Thereafter, each term will expire three (3) years after the end of the prior term (even if a vacancy occurs on the Board of Trustees during a term and a replacement trustee must be elected to complete a three-year term). A vacancy shall occur on the Board of Trustees if:

- (a) A trustee resigns;
- (b) An elected or appointed trustee ceases to be a trustee because of Section 5.3 of the City Charter;
- (c) An ex-officio trustee ceases to hold the office which qualified the individual as a trustee; or
- (d) A Participant-elected trustee ceases to be a Participant.

In the event a vacancy occurs on the Board of Trustees, the vacancy shall be filled for the unexpired term in the same manner as the position was previously filled. If a Trustee changes Benefit Groups during his or her term, the Trustee shall serve out his or her term until the next scheduled election for a Trustee of the Trustee's prior Benefit Group.

14.3 Officers and Administrative Services

The officers and administrative services of the Defined Benefit Plan shall be as follows:

- (a) **Chairperson and Vice-Chairperson** The Board of Trustees shall annually elect a chairperson and a vice-chairperson from among the individuals who serve as trustee.
- (b) **Secretary** The Human Resource Director shall be the administrative officer of the Defined Benefit Plan and shall be the secretary of the Board of Trustees.
- (c) **Treasurer** The City Finance Director shall be the treasurer of the Defined Benefit Plan. The treasurer shall be custodian of the assets of the Defined Benefit Plan except as to such assets as the Board of Trustees may from time to time otherwise hold, as authorized by applicable law. This shall not prevent the Board of Trustees from appointing a bank or other agent as custodian of any assets.

(d) **Actuary** The Board of Trustees shall designate an Actuary who shall be the technical advisor to the Board of Trustees regarding the operation of the Defined Benefit Plan on an actuarial basis and who shall perform such services as are required in that connection.

(e) **Other Services** The Board of Trustees is authorized and empowered to employ such professional or other administrative services as are required for the proper administration of the Defined Benefit Plan. No advisor to the Board may also serve as a member of the Board of Trustees at the same time.

14.4 Powers of Board of Trustees

The Board of Trustees shall have the discretionary power and authority to manage and administer the Defined Benefit Plan in accordance with its terms and applicable laws and regulations. The Board of Trustees shall exercise its authority in a nondiscriminatory manner. The Board of Trustees shall have the powers necessary to administer and meet its obligations under the Defined Benefit Plan, including, but not limited to, the following:

- (a) Maintain records pertaining to the Defined Benefit Plan.
- (b) Interpret the terms and provisions of the Defined Benefit Plan.
- (c) Decide all questions of eligibility for participation in the Defined Benefit Plan.
- (d) Decide all questions of eligibility for benefit payments and determine the amount and manner of the payment of benefits.
- (e) Establish procedures by which Participants, Vested Terminated Participants and Beneficiaries may apply for pension benefits under the Defined Benefit Plan and appeal a denial of pension benefits.
- (f) Determine the rights under the Defined Benefit Plan of any Participant, Vested Terminated Participant or Beneficiary applying for or receiving pension benefits.
- (g) Determine the total Years of Credited Service of a Participant, Vested Terminated Participant, or Retiree for a Participant, Vested Terminated Participant, Retiree, or Beneficiary who is applying for or receiving pension benefits.
- (h) Require and obtain the appropriate Actuary reports.
- (i) Authorize the payment of benefits to all individuals entitled to pension benefits under the Defined Benefit Plan, and to pay the administrative expenses of the Defined Benefit Plan.
- (j) Administer the appeal procedure provided for in this Article.

(k) Delegate specific responsibilities for the operation and administration of the Defined Benefit Plan to Employees or agents.

(l) Determine the employment status of any person providing services to Employer.

(m) To the extent permitted by applicable law, take voluntary action to self-correct operational errors in the administration of the Defined Benefit Plan.

14.5 Ability to Delegate Authority

The Board of Trustees may delegate to the City and/or an agent or Employee of the City routine and limited discretionary duties as it sees fit.

14.6 Indemnification

To the extent permitted by applicable law, Employer shall indemnify and hold harmless any Employee for any liability or expense arising out of the Employee's action or failure to act in performing services on behalf of the Board of Trustees. However, this provision only applies if the Employee's action is in good faith and is not willful misconduct.

14.7 Investment of Defined Benefit Plan Assets

The Board of Trustees shall be the trustee of the assets of the Defined Benefit Plan. The Board of Trustees shall have full power and authority to invest/reinvest the assets subject to all terms, conditions, limitations and restrictions imposed by the state of Michigan on the investment of public employee retirement systems. The Board of Trustees may employ outside investment counsel to advise the Board of Trustees in the making and disposition of investments. All investment of Defined Benefit Plan assets shall be made in accordance with the requirements of the Public Employee Retirement System Investment Act (MCL § 33.112 et. seq.).

14.8 Standard of Care

The Board of Trustees shall administer the Defined Benefit Plan in accordance with the terms of the Defined Benefit Plan and the Ethics Policy adopted by the Board solely in the interest of the Participants, Vested Terminated Participants and Retirees and for the exclusive purposes of providing benefits to Participants, Vested Terminated Participants and Retirees and their Beneficiaries and defraying the reasonable expenses of administration. The Board of Trustees shall administer the Defined Benefit Plan with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims.

14.9 Employment of Agents by Board of Trustees

The Board of Trustees may periodically employ agents and delegate to them routine and limited discretionary duties as it sees fit. The Board of Trustees may also employ or

consult expert assistants. The Board of Trustees shall not be liable for any neglect, omission or wrongdoing of any agent or assistant, provided that reasonable care was exercised in their selection. The Board of Trustees may consult with legal counsel (who may be of counsel to the City) concerning any question which may arise with reference to its duties under the Defined Benefit Plan. The opinion of legal counsel shall fully and completely protect the Board of Trustees with respect to any action taken or not taken under this Article in good faith and in accordance with the opinion of legal counsel.

14.10 Appeal Procedure

Any Participant or Vested Terminated Participant whose application for benefits under the Defined Benefit Plan has been denied, in whole or in part, shall be given written notice of the denial of benefits by the Board of Trustees. The Board of Trustees shall provide the notice of denial within 90 days after the claim is received by the Defined Benefit Plan, unless special circumstances require an extension of time for processing the claim. If an extension of time is required, the Board of Trustees shall provide the Participant or Vested Terminated Participant written notice of the extension before the expiration of the initial 90-day period. However, in no event shall the extension exceed a period of 90 days from the end of the initial period.

The notice shall be in easily understood language and shall indicate the reasons for denial and the specific provisions of the Defined Benefit Plan on which the denial is based. The notice shall explain that the Participant or Vested Terminated Participant may request a review of the denial and the procedure for requesting review. The notice shall describe any additional information necessary to perfect the claim and explain why the information is necessary.

A Participant or Vested Terminated Participant may make a written request to the Board of Trustees for a review of any denial of benefits under the Defined Benefit Plan. The written request for review must be made within 60 days after the mailing date of the notice of denial. The request shall refer to the provisions of the Defined Benefit Plan on which it is based and shall set forth the facts relied upon as justifying a reversal or modification of the determination being appealed.

A Participant or Vested Terminated Participant who requests a review of a denial of benefits in accordance with this appeal procedure may examine pertinent documents and submit pertinent issues and comments in writing. A Participant or Vested Terminated Participant may have a representative act on his behalf in exercising his right to request a review and the rights granted by this appeal procedure. The Board of Trustees shall provide a review of the decision denying the claim for benefits within 60 days after receiving the written request for review.

A Participant or Vested Terminated Participant may appeal the Board of Trustees' review of the decision denying the claim for benefits through binding arbitration. A written request for binding arbitration must be made within 60 days after the mailing date of the notice of the Board of Trustees' review of the decision. The binding arbitration shall be conducted in accordance with rules and procedures established by the Board of Trustees.

14.11 Compensation

The members of the Board of Trustees who are not Employees of Employer may be paid reasonable compensation for the performance of their services under the Defined Benefit Plan, as determined by the Board of Trustees. Further, each member of the Board of Trustees shall be reimbursed for all reasonable and necessary expenses which that member may incur in connection with the performance of his duties under the Defined Benefit Plan. Any compensation or reimbursement of expenses provided to a member of the Board of Trustees shall be paid from the Defined Benefit Plan's assets unless paid directly by Employer.

Article 15

Defined Benefit Plan Funding

15.1 Reserve for Retired Benefit Payments

The reserve for retired benefit payments is the account from which all Normal Retirement Benefits, Early Retirement Benefits, Temporary Disability Benefits, Deferred Vested Benefits, death benefits and residual refunds of the Accumulated Employee Contributions shall be paid. Should a Temporary Disability Benefit be terminated and the Participant be returned to the employment of Employer in a position eligible for participation in the Defined Benefit Plan, the Actuarial Equivalent of the Participant's benefit at the date of termination of total disability shall be transferred from the reserve for retired benefit payments to the reserve for Accumulated Employee Contributions and the reserve for Employer contributions in the proportion transfers were made from such accounts upon the commencement of the Temporary Disability Benefit.

15.2 Reserve for Employer Contributions

The reserve for Employer contributions is the account to which is credited contributions made by Employer to the Defined Benefit Plan and from which transfers shall be made as provided in this Article.

Each year, following the receipt of the Actuary's report, the excess, if any, of the reported actuarial present value of the pensions being paid and likely to be paid to Retirees and Beneficiaries over the balance in the reserve for retired benefit payments shall be transferred from the reserve for Employer contributions to the reserve for retired benefit payments.

The financial objective of the Defined Benefit Plan is to require Employer contributions to the Defined Benefit Plan each Plan Year which shall be sufficient to fully fund the actuarial cost of benefits likely to be paid on account of services rendered by Participants during the current Plan Year and finance the unfunded actuarial cost of benefits likely to be paid on account of services rendered by Participants prior to the current Plan Year over a period not to exceed 30 Plan Years. The contributions shall be computed by the Actuary at level percents of Participant payroll in accordance with generally recognized actuarial principles. The contributions shall be appropriated by Employer and paid to the Defined Benefit Plan.

15.3 Reserve for Undistributed Investment Income

The reserve for undistributed investment income is the account to which is credited all interest, dividends and other income from the investment of Defined Benefit Plan assets, all gifts and bequests received by the Defined Benefit Plan, all unclaimed Accumulated Employee Contributions and pensions and all other monies received by the Defined Benefit Plan, the disposition of which is not specifically provided. There shall be transferred from the reserve for undistributed investment income all amounts required to credit interest to the reserve for Accumulated Employee Contributions, the reserve for Employer contributions and the reserve for retired benefit payments. Whenever the Board of Trustees determines that the balance in the reserve for undistributed investment income is more than sufficient to cover current charges to the reserve, the excess or any part thereof shall be transferred to the reserve for Employer contributions. Whenever the Board of Trustees determines that the balance in the reserve for undistributed investment income is insufficient to meet the current charges to the account, the amount of the insufficiency shall be transferred from the reserve for Employer contributions.

15.4 Allowance of Interest and Rates of Interest

The Board of Trustees shall, at the end of each Plan Year, credit interest on the Accumulated Employee Contributions. The Board of Trustees shall determine the rate or rates of interest to be used in the crediting of interest.

15.5 Method of Making Payments

All payments from Defined Benefit Plan assets shall be made according to procedures governing the disbursement of Employer's general fund monies. No payment shall be made unless it is authorized by the Board of Trustees.

15.6 Assets not Segregated

The description of the various reserves of the Defined Benefit Plan shall be interpreted to refer to the accounting records of the Defined Benefit Plan and not to the segregation of monies or assets in the reserve accounts of the Defined Benefit Plan. Defined Benefit Plan assets are not required to be held in trust or in any separate fund until paid.

Article 16

Rights of Participants

16.1 Right to Rehire Retirees

Employer in its sole discretion may rehire any Retiree who has retired on a Normal Retirement Benefit, Early Retirement Benefit, or a Deferred Vested Benefit after the later of either 30 days after the Employee's Severance from Employment, or the beginning of the following Plan Year if the Employee has accrued 1,000 Hours of Service in the current Plan Year.

The Board of Trustees shall suspend the pension benefits of any Retiree during certain periods of reemployment by Employer. Benefits shall be suspended for any period during which the Retiree is rehired and normally has at least 1,000 Hours of Service during a Plan Year. Any Retiree who is rehired and normally has less than 1,000 Hours of Service during a Plan Year may, upon the Employee's election, suspend benefits for any period during which the Retiree is rehired.

If pension benefits have been suspended, payment shall resume no later than the first day of the third calendar month after the calendar month in which the individual ceases to be employed in service which required the suspension of his benefits.

If the Retiree's benefits are suspended, the Retiree shall earn a separate Accrued Benefit for his period of reemployment. The separate Accrued Benefit shall be determined under Article 5 based upon the Retiree's Years of Credited Service during the period of reemployment. However, his Accrued Benefit relating to any prior period of employment shall not be changed. The Retiree's pension benefit shall be the sum of the Accrued Benefits earned during the separate periods of employment.

At the time payments resume, the Board of Trustees may deduct from benefit payments to be made any payments which were previously made during a period in which benefits should have been suspended. The deduction or offset may not exceed in any one month 25 percent of that month's total benefit payment which would have been due, but for the offset. However, the initial payment after benefits resume may be offset without limitation.

Upon the request of a Retiree, the Board of Trustees shall determine whether specific contemplated employment shall be employment for which benefit payments shall be suspended.

16.2 No Employment Rights

The existence of the Defined Benefit Plan shall not grant a Participant any legal right to continue as an Employee, or affect the right of Employer to discharge a Participant.

16.3 No Participant Interest in Defined Benefit Plan

No Participant, Vested Terminated Participant, Retiree, Beneficiary, or any other person shall have interest in, or right to, any specific Defined Benefit Plan asset.

16.4 Spendthrift Provision

No benefit or interest under the Defined Benefit Plan is subject to assignment or alienation, whether voluntary or involuntary, except as follows:

- (a) A Participant, Vested Terminated Participant or Retiree may assign a portion of his benefit to an alternate payee under an Eligible Domestic Relations Order or a domestic relations order.

(b) A Participant's benefit may be reduced by any actuarial, legal or other administrative fees associated with the review and implementation of an Eligible Domestic Relations Order or domestic relations order.

(c) A Participant's, Vested Terminated Participant's or Retiree's benefit may be transferred or assigned to the extent permitted by Section 401(a)(13) of the Code and its regulations.

(d) Employer shall have the right of setoff for any claim arising from embezzlement or fraud by a Participant, Vested Terminated Participant, Retiree, Beneficiary and for any overpayments.

(e) A Participant's benefit may be transferred or assigned to the extent permitted under the Public Employee Retirement Benefits Forfeiture Act (MCL § 38.2701 et. seq.) and the State Correctional Facility Reimbursement Act (MCL § 800.401 et. seq.).

Article 17

Defined Benefit Plan Amendment and Termination

17.1 Amendment

The City reserves the right to amend the Defined Benefit Plan at any time, to the extent permitted by applicable law and any applicable Collective Bargaining Agreements.

17.2 Termination

The City may terminate the Defined Benefit Plan at any time, to the extent permitted by applicable law and any applicable Collective Bargaining Agreements. If the Defined Benefit Plan is terminated, the Accrued Benefit of each Participant as of the date of termination shall be fully vested and nonforfeitable to the extent funded. These benefits shall be paid in accordance with the provisions of Section 17.4. In no event shall a Participant have any recourse for satisfaction of his benefits other than from the Defined Benefit Plan (or portion of assets segregated pursuant to Section 17.3).

17.3 Partial Termination

Upon the partial termination of the Defined Benefit Plan, the Board of Trustees shall account for separately, on behalf of the Participants with respect to whom the Defined Benefit Plan has been terminated, the proportionate interest of such Participants in the Defined Benefit Plan. This proportionate interest shall be determined by the Actuary, on the basis of contributions made under the Defined Benefit Plan and such assumptions as are determined reasonable by the Actuary and are approved by the Board of Trustees. The funds which are accounted for separately in this manner shall be fully vested and shall be used by the Board of Trustees to pay benefits to, or on behalf of, the Participants with respect to whom the Defined Benefit Plan has been terminated in accordance with Section 17.4.

17.4 Distribution Upon Termination

The assets of the Defined Benefit Plan, or the portion of the assets accounted for separately in accordance with Section 17.3, shall be allocated (after provision is made for the expenses of termination) to provide for the payment of benefits in an order of precedence that parallels those specified in Section 4044 of the federal Employee Retirement Income Security Act of 1974, and the rules and regulations issued by the Pension Benefit Guaranty Corporation.

17.5 Method of Distribution

If the Defined Benefit Plan is terminated, benefits shall be distributed to the Participants as soon as administratively feasible after the termination. However, if the City applies for a determination letter, the distribution may be delayed until after the Internal Revenue Service has made a favorable determination that the Defined Benefit Plan's termination does not affect its previously qualified status. Distributions shall be made in the forms described in Section 10.5 and shall be subject to the distribution rules of Section 10.5.

17.6 Reversion to Employer

If the terminated Defined Benefit Plan contains excess assets after satisfaction of all liabilities provided in this Section, the excess assets shall revert to Employer.

Article 18

Miscellaneous Provisions

18.1 Correction of Errors

Should any change in the records of the Defined Benefit Plan result in any Retiree or Beneficiary being paid more or less than what has been paid had the records been correct, the Board of Trustees shall correct the error and as far as practicable shall adjust the payment in such a manner that the Actuarial Equivalent of the benefit to which the individual was correctly entitled to shall be paid.

18.2 Subrogation

If a Participant becomes entitled to a benefit under the Defined Benefit Plan as a result of an accident or injury caused by the act of a third party, Employer shall be subrogated to the rights of a Participant against the third party to the extent that Employer financed benefits which the Defined Benefit Plan pays or becomes liable to pay.

18.3 Age

Any reference in the Defined Benefit Plan to age shall mean the age of the individual as of the individual's last birthday.

18.4 Uniformity of Treatment

Any discretionary action taken under the Defined Benefit Plan by the Board of Trustees or Employer shall be uniform in its application to similarly situated persons.

18.5 Construction

Words used in the masculine shall apply in the feminine where applicable. Wherever the context of the Defined Benefit Plan dictates, the plural shall be read as singular and the singular as plural.

18.6 Governing Law

To the extent that Michigan law has not been preempted by federal law, the provisions in the Defined Benefit Plan shall be governed by the laws of the state of Michigan.

18.7 Notice and Elections

Except as otherwise provided in the Defined Benefit Plan, notices, election and request for distributions may be provided through electronic media to the extent permitted by applicable law.

18.8 Collective Bargaining Agreements

To the extent that a provision in the Plan conflicts with a specific provision in a Collective Bargaining Agreement for a Benefit Group, the specific provision in the Collective Bargaining Agreement shall control.

Article 19

Deferred Retirement Option Defined Benefit Plan (“DROP”)

19.1 Definitions

The following words, terms and phrases, when used in this Article, shall have the meanings ascribed to them in this Section, unless the context clearly indicates a different meaning.

(a) “**DROP**” means the deferred retirement option plan established under this Article. The DROP is part of the Defined Benefit Plan.

(b) “**DROP Account**” means the total amount credited to an individual DROP Participant due to participation in the DROP.

(c) “**DROP Benefit**” means a Participant’s total DROP account balance at the time the Participant has a Severance from Employment.

(d) “**DROP Entry Date**” means the effective date of the Participant’s participation in the DROP.

(e) **“DROP Period”** means the duration of a Participant’s participation in the DROP, from the DROP Entry Date to the date the Participant has a Severance from Employment.

19.2 Basic Concept of the DROP

In lieu of retiring and commencing receipt of a monthly benefit, an eligible Participant may enter into the DROP as follows:

(a) Eligible Participants who elect to participate in the DROP shall make an irrevocable election to terminate employment with Employer and retire upon ceasing participation in the DROP. The Participant must cease participation in the DROP and terminate employment no later than three years after entering the DROP, unless the Participant has a Severance from Employment at an earlier date pursuant to Article 13.

(b) The Participant’s DROP election shall specify the Participant’s future retirement date and the form of payment in which his monthly pension benefit shall be paid (from among the forms of payment available under Article 10). The selected form of payment shall apply both immediately for purposes of determining the monthly amount credited to the Participant’s DROP Account under Section 19.5(a), and upon his Severance from Employment.

(c) Upon entry into the DROP, a Participant shall no longer accrue additional Years of Credited Service under the Defined Benefit Plan. Further, any Compensation increases of the Participant after his DROP Entry Date, or any increases in the benefit formula that applies to the Participant’s Benefit Group that are made after his DROP Entry Date shall be disregarded.

(d) Participants in the DROP remain Employees of Employer for all other purposes, and are not treated as separated from Employer during their participation in the DROP. However, the determination of the Participant’s monthly pension benefit amount is made and payment of the monthly pension benefit begins upon entry into the DROP, except that payments of that benefit are credited to a special DROP Account subject to certain conditions, rather than distributed to the Participant directly.

19.3 Eligibility

To participate in the DROP, a Participant must meet the following requirements as of his DROP Entry Date:

- (a) Be an active Employee of Employer;
- (b) Have attained Normal Retirement Age, as set forth in the applicable Schedule for his Benefit Group; and
- (c) Be eligible for the DROP under the applicable Schedule for his Benefit Group.

Eligible Participants may make a DROP election at any time after satisfying these requirements.

19.4 Election to Participate in the DROP

An eligible Participant's election to participate in the DROP is subject to the following conditions:

- (a) Except as otherwise provided in this Article, a Participant's election to participate in the DROP is irrevocable;
- (b) The Participant's DROP Entry Date shall not be earlier than 30 days after the date the election is filed with the Board of Trustees; and
- (c) The Participant's DROP Entry Date shall not be earlier than the Participant's Normal Retirement Age.

For participation in the DROP to be effective, the Participant's election must be approved by the Board of Trustees.

19.5 Credits to a DROP Participant's DROP Account

Credits to a Participant's DROP Account begin on the Participant's DROP Entry Date and continue until the end of the Participant's DROP Period. Credits shall not be made to a Participant's DROP Account for a period that occurs after the Participant's Severance from Employment. Credits to a Participant's DROP Account consist of the following:

- (a) A monthly amount equal to the Participant's Normal Retirement Benefit as of the Participant's DROP Entry Date and calculated based on the form of distribution elected by the Participant in his DROP election; and
- (b) Interest on the Participant's DROP Account balance at the end of the prior fiscal year computed at a rate determined by the Board of Trustees and credited at the end of the current fiscal year. The initial rate shall be four percent per annum and shall be reviewed not less than annually by the Board of Trustees at the beginning of each Plan Year. The Board of Trustees may adjust the interest rate prospectively so that the impact of the DROP will not result in more than an immaterial increase in Employer's normal cost of annually funding the Defined Benefit Plan.

Prior to a distribution of benefits, Participants' DROP Accounts shall not be segregated from other assets of the Defined Benefit Plan.

19.6 Severance From Employment at Conclusion of DROP Period

Except as otherwise provided in Sections 19.8 and 19.9, upon the conclusion of a Participant's DROP Period, the Participant shall have a Severance from Employment and shall be retired. The Participant's DROP Benefit and the remainder of his monthly pension benefit shall be distributed to the Participant as provided in Section 19.7.

19.7 Distribution of Benefits at Conclusion of DROP Period

Upon the conclusion of the Participant's DROP Period, the Participant may elect to receive his DROP Benefit in a lump sum payment, or as an Eligible Rollover Distribution. Distribution of the Participant's DROP Benefit shall be made within 60 days of the Participant's Severance from Employment. The Participant shall also receive a monthly pension benefit equal to his Normal Retirement Benefit calculated as of his DROP Entry Date and based on the form of distribution elected by the Participant in his DROP election.

19.8 Death Before Distribution of Benefits

Except as otherwise provided in Section 19.9, if a DROP Participant dies before receiving a distribution of his DROP benefit, his Beneficiary shall receive the Participant's DROP Benefit in a lump sum payment or as an Eligible Rollover Distribution, and the remainder of the Normal Retirement Benefit elected by the Participant in his DROP election, if any, shall be distributed as provided in Section 19.7. The distribution of the remainder of the Normal Retirement Benefit, if any, depends on the form of distribution elected by the Participant in his DROP election.

19.9 Service-Connected Death or Disability of a DROP Participant

Upon a service-connected death or a service-connected total disability of a DROP Participant, the Participant shall be terminated from the DROP as if the Participant had never participated in the DROP. The Participant shall forfeit the Participant's DROP Account, but he (or his Beneficiaries) shall be eligible to receive benefits under the Defined Benefit Plan as though the Participant never elected the DROP.

19.10 Re-Hire

A DROP Participant shall not return to regular employment with Employer. Once entering the DROP, the Participant is in the DROP until his Severance from Employment, at which time the Participant is retired. A Retiree may be re-hired by Employer and eligible to participate in the Defined Benefit Plan, subject to the provisions of Article 3. But a former DROP Participant who is rehired by Employer shall not be eligible to again participate in the DROP. A rehired Retiree who had not been a former DROP Participant may be eligible to enter the DROP if the Employee otherwise meets the eligibility requirements of Section 19.3. In such a case, the retirement benefit for purposes of credits to the DROP account shall be determined by reference to Article 16.

19.11 Eligible Domestic Relations Order

Unless an Eligible Domestic Relations Order states otherwise, DROP benefits are assumed not to be included in the division of a Participant's Accrued Benefit under the Defined Benefit Plan.

19.12 Section 415 Limits

For purposes of Section 415 of the Code, the DROP shall be a Defined Benefit Plan.

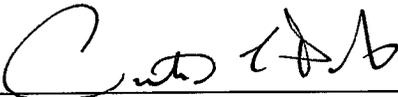
19.13 Regulations

The Board of Trustees shall, by regulation, provide for additional details of implementation and interpretation of this Article.

Signature

The City has signed the City of Wyoming Defined Benefit Plan this 20th day of January, 2015.

CITY OF WYOMING

By 

Its City Manager

**Schedule A
to the
City of Wyoming
Defined Benefit Pension Plan**

General Benefit Group

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2.6

Definition of Average Monthly Compensation “Average Monthly Compensation” means the monthly average of the Participant’s Compensation earned during the 36 highest-paid consecutive months during the 60 months immediately preceding his Severance from Employment. For a Participant who has less than 36 consecutive months, “Average Monthly Compensation” means the monthly average of the Compensation earned prior to the Participant’s Severance from Employment. “Average Monthly Compensation” shall exclude overtime paid to any Participant who retires on or after July 1, 2016. But, in order to prevent the impairment of any Participant’s pension in violation of the Constitution of the State of Michigan, the Normal Retirement Benefit of a Participant who has a Severance from Employment on or after July 1, 2016 and before July 1, 2021 shall be the greater of (1) or (2) below, where:

- (1) Equals the Participant’s Normal Retirement Benefit based on his or her Years of Credited Service as of June 30, 2016 multiplied by the applicable percentage of the Participant’s Average Monthly Compensation (including overtime only for months prior to July 1, 2016) described in Section 5.2(b); or
- (2) Equals the sum of (A) and (B) below where:
 - (A) Equals the Participant’s Normal Retirement Benefit based on his or her Years of Credited Service as of June 30, 2016 multiplied by the applicable percentage of the Participant’s Average Monthly Compensation (excluding overtime) described in Section 5.2(b) for Years of Credited Service earned prior to July 1, 2016; and
 - (B) Equals the Participant’s Normal Retirement Benefit based on his or her Years of Credited

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Service earned after June 30, 2016 multiplied by the applicable percentage of the Participant's Average Monthly Compensation (excluding overtime) described in Section 5.2(b) for Years of Credited Service earned after June 30, 2016.

3.1

Eligibility to Participate A member of this Benefit Group whose initial Date of Employment is after February 6, 2006, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan. A Participant in the Defined Benefit Plan who elects to begin participation in the Defined Contribution Plan but does not elect to transfer his Accrued Benefit to the Defined Contribution Plan shall remain a Participant in the Defined Benefit Plan with respect to his frozen Accrued Benefit.

3.4

Election to Freeze Participation in Defined Benefit Plan and Participate in Defined Contribution Plan For the time period before the date specified in the Collective Bargaining Agreement with the Wyoming City Employees Union, members of the General Benefit Group may make an irrevocable election to cease accruing benefits under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan. The election must be made in accordance with the administrative rules established by the City, and shall be effective no later than the date specified in the applicable Collective Bargaining Agreement.

If a Participant does not make a timely election to cease accruing benefits under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan, the Participant shall continue to participate in the Defined Benefit Plan.

Transfer to Defined Contribution Plan A Participant who makes an election under Section 3.4 may also elect to have the lump sum Actuarial Equivalent of his Accrued Benefit as of the effective date of the election transferred to the Defined Contribution Plan as soon as administratively feasible after the date his participation in the Defined Benefit Plan ceases. The lump sum Actuarial Equivalent shall be calculated based on actuarial assumptions determined by the Board of Trustees after consultation with the Actuary.

If a Participant is married on the date the election is made, the election shall be valid only if the Participant's Spouse consents

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in writing to the election. The Spouse's written consent must be witnessed by a notary public.

5.1 **Definition of Normal Retirement Age** Normal Retirement Age means the Participant has attained age 60 and completed at least 10 Years of Credited Service.

5.2(b) **Benefit Formula** The benefit formula is the Participant's Years of Credited Service multiplied by the following percentage of the Participant's Average Monthly Compensation:

<u>Participant's Date of Retirement</u>	<u>Benefit Percentage</u>
Before July 1, 2011	See Article IV of Chapter 58 of the City Code
July 1, 2011 through June 30, 2016	2.35
On or after July 1, 2016	2.35 for Years of Credited Service prior to July 1, 2016 and 1.95 for Years of Credited Service after June 30, 2016 unless the Participant makes the election described in Section 12.1

5.2(c) **Annual Pension Adjustment** There is no annual pension adjustment.

6.1 **Definition of Early Retirement Age** Early retirement age means the Participant has attained age 55 and completed at least 10 Years of Credited Service.

<u>Section</u>	<u>Provision</u>
6.2	<u>Amount of Early Retirement Benefit</u> The reduction in a Participant's retirement benefit for payment before age 60 shall be two-tenths of one percent for each month before age 60 the pension is to be paid. For this purpose, a fraction of a month shall be considered a whole month. If the Participant has completed at least 25 Years of Credited Service and retires on or after July 1, 2016 but before age 60, the reduction shall be one-tenth of one percent for each month before age 60 that the pension is to be paid.
7.1	<u>Service Requirement for Eligibility for a Temporary Disability Benefit</u> The service requirement for a Temporary Disability Benefit is that the Participant has completed at least 10 Years of Credited Service.
7.6	<u>Duty Disability - Special Rules</u> No special rules apply to a Participant in the General Benefit Group who experiences a duty disability.
8.1(c)	<u>Service Requirement for Eligibility for a Death Benefit</u> The service requirement for eligibility for a death benefit is that the Participant has completed at least 10 Years of Credited Service.
9.1	<u>Service Requirement for Eligibility for a Deferred Vested Benefit</u> The service requirement for eligibility for Deferred Vested Benefit is that the Participant has completed at least 10 Years of Credited Service.
11.3	<u>Coordination With Workers' Disability Compensation Benefits</u> Benefits payable under the Defined Benefit Plan shall be fully coordinated (to the extent permitted by applicable law) with workers' disability compensation benefits. However, a Participant who has 25 Years of Credited Service or who has attained age 50 with 10 Years of Credited Service shall have benefits coordinated until the Participant reaches age 62 as follows: The Defined Benefit Plan benefit shall be paid first, then the workers' disability compensation benefit shall be payable to the extent the total combined benefit equals 95 percent of the Participant's net after-tax wages at the time the Participant becomes disabled. Upon attainment of age 62, coordination shall apply irrespective of the Participant's Years of Credited Service.
12.1	<u>Accumulated Employee Contributions</u> As a condition of continuing to have a 2.35% benefit percentage apply to Years of

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Credited Service on or after July 1, 2016 under the Defined Benefit Plan, a Participant in the General Benefit Group must elect to contribute a specific percentage of his Compensation to the Defined Benefit Plan each year. The specified percentage is set forth in the applicable Collective Bargaining Agreement. The Participant must submit this election to the City no later than May 1, 2016 using a form provided by the City.

13.1

Compulsory Retirement Compulsory retirement shall be at age 70 unless prohibited by law.

19.3

Eligibility for the DROP Participants in the General Benefit Group are ineligible to participate in the DROP.

**Schedule B
to the
City of Wyoming
Defined Benefit Pension Plan**

Administrative and Supervisory Benefit Group

<u>Section</u>	<u>Provision</u>
2.6	<p><u>Definition of Average Monthly Compensation</u> Average Monthly Compensation means the monthly average of the Participant's Compensation earned during the 36 highest paid consecutive months. However, for a Participant who has less than 36 consecutive months, "Average Monthly Compensation" means the monthly average of the Compensation earned prior to his Severance from Employment.</p>
3.1	<p><u>Eligibility to Participate.</u> A member of this Benefit Group whose initial Date of Employment is on or after September 6, 2005, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan.</p>
3.4	<p><u>Election to Freeze Participation in Defined Benefit Plan and Participate in Defined Contribution Plan</u> For the time period before the date specified in the Collective Bargaining Agreement for the Administrative and Supervisory Benefit Group, members of this Benefit Group may make an irrevocable election to cease accruing benefits under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan. The election must be made in accordance with the administrative rules established by the City, and shall be effective no later than the date specified in the applicable Collective Bargaining Agreement.</p> <p>If a Participant does not make a timely election to cease accruing benefits under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan, the Participant shall continue to participate in the Defined Benefit Plan.</p> <p><u>Transfer to Defined Contribution Plan</u> A Participant who makes an election under Section 3.4 may also elect to have the lump sum Actuarial Equivalent of his Accrued Benefit as of the effective date of the election transferred to the Defined Contribution Plan as soon as administratively feasible after the date his participation in the Defined Benefit Plan ceases. The</p>

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lump sum Actuarial Equivalent shall be calculated based on actuarial assumptions determined by the Board of Trustees after consultation with the Actuary.

If a Participant is married on the date the election is made, the election shall be valid only if the Participant's Spouse consents in writing to the election. The Spouse's written consent must be witnessed by a notary public.

5.1

Definition of Normal Retirement Age Normal Retirement Age means the Participant has attained age 60 and completed at least 5 Years of Credited Service.

5.2(b)

Benefit Formula The benefit formula is the Participant's Years of Credited Service multiplied by the following percentage of the Participant's Average Monthly Compensation:

<u>Participant's Date of Retirement</u>	<u>Benefit Percentage</u>
Before July 1, 2011	See Article IV of Chapter 58 of the City Code
July 1, 2011 through June 30, 2016	2.35
On or after July 1, 2016	2.35 for Years of Credited Service prior to July 1, 2016 and 2.15 for Years of Credited Service after June 30, 2016 and before July 1, 2018 and 1.95 for Years of Credited Service after June 30, 2018 unless the Participant makes the election described in Section 12.1

<u>Section</u>	<u>Provision</u>
5.2(c)	<u>Annual Pension Adjustment</u> The Participant's monthly pension benefit shall be increased each January by 40 percent of the average annual increase in the CPI of Detroit and Chicago through October of the immediately preceding Calendar Year, up to a maximum annual pension increase of five percent. For purposes of this Section, "CPI" means the Consumer Price Index, as published by the U.S. Department of Labor, Bureau of Labor Statistics.
6.1	<u>Definition of Early Retirement Age</u> Early retirement age means the Participant has attained age 55 and completed at least 5 Years of Credited Service.
6.2	<u>Amount of Early Retirement Benefit</u> Effective for Participants who become members of this Benefit Group after July 1, 2007, the reduction in a Participant's retirement benefits for payment before Normal Retirement Age shall be two-tenths of one percent for each month before Normal Retirement Age the pension is to be paid, unless the Participant has at least 25 Years of Credited Service in which case no reduction applies. For this purpose, a fraction of a month shall be considered a whole month. No reduction applies for Participants who were members of this Benefit Group before July 1, 2007.
7.1	<u>Service Requirement for Eligibility for a Temporary Disability Benefit</u> The service requirement for eligibility for a Temporary Disability Benefit is that the Participant has completed at least 5 Years of Credited Service.
7.6	<u>Duty Disability - Special Rules</u> No special rules apply to a Participant in the Administrative and Supervisory Benefit Group who experiences a duty disability.
8.1(c)	<u>Service Requirement for Eligibility for a Death Benefit</u> The service requirement for eligibility for a death benefit is that the Participant has completed at least 5 Years of Credited Service.
9.1	<u>Service Requirement for Eligibility for a Deferred Vested Benefit</u> The service requirement for eligibility for a Deferred Vested Benefit is that the Participant has completed at least 5 Years of Credited Service.
11.3	<u>Coordination With Workers' Disability Compensation Benefits</u> Benefits payable under the Defined Benefit Plan shall be fully coordinated (to the extent permitted by applicable law) with

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workers' disability compensation benefits. However, a Participant who has 25 Years of Credited Service or who has attained age 50 with 10 Years of Credited Service shall have benefits coordinated until the Participant reaches age 62 as follows: The Defined Benefit Plan benefit shall be paid first, then the workers' disability compensation benefit shall be payable to the extent the total combined benefit equals 95 percent of the Participant's net after-tax wages at the time the Participant becomes disabled. Upon attainment of age 62, full coordination shall again apply irrespective of the Participant's Years of Credited Service.

12.1

Accumulated Employee Contributions As a condition of continuing to have a 2.35% benefit percentage apply to Years of Credited Service on or after July 1, 2016 under the Defined Benefit Plan, a Participant in the Administrative and Supervisory Benefit Group must elect to contribute a specific percentage of his Compensation to the Defined Benefit Plan each year. The specified percentage is set forth in the applicable Collective Bargaining Agreement. The Participant must submit this election to the City no later than May 1, 2016 using a form provided by the City.

13.1

Compulsory Retirement Compulsory retirement is at age 70 unless prohibited by law.

19.3

Eligibility for the DROP Participants in the Administrative and Supervisory Benefit Group are ineligible for the DROP.

**Schedule C
to the
City of Wyoming
Defined Benefit Pension Plan**

Police Command Benefit Group

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2.6 Definition of Average Monthly Compensation Average Monthly Compensation means the monthly average of the Participant’s Compensation earned during the 36 highest paid consecutive months during the 60 months immediately preceding his Severance from Employment. However, for a Participant who has less than 36 consecutive months, “Average Monthly Compensation” means the monthly average of the Compensation earned prior to his Severance from Employment.

3.1 Eligibility to Participate. A member of this Benefit Group whose initial Date of Employment is after February 20, 2006, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan.

5.1 Definition of Normal Retirement Age Normal Retirement Age means the Participant has attained age 50 and completed at least 10 Years of Credited Service.

5.2(b) Benefit Formula The benefit formula is the Participant’s Years of Credited Service, up to the maximum set forth in this Section, multiplied by the following percentage of the Participant’s Average Monthly Compensation:

<u>Participant’s Date of Retirement</u>	<u>Benefit Percentage</u>	<u>Maximum Number of Years of Credited Service</u>
Before July 1, 2011	See Article IV of Chapter 58 of the City Code	See Article IV of Chapter 58 of the City Code
July 1, 2011	2.70	30 (unlimited for the chief and deputy chief)

5.2(c) Annual Pension Adjustment For each Participant who was a member of this Benefit Group on or before July 1, 2008, and

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upon attaining age 60, the Participant's monthly pension benefit shall be increased each January by 40 percent of the average annual increase in the CPI of Detroit and Chicago through October of the immediately preceding Calendar Year, up to a maximum annual pension increase of 5 percent. For purposes of this Section, "CPI" means the Consumer Price Index, as published by the U.S. Department of Labor, Bureau of Statistics.

6.1 Definition of Early Retirement Age Participants in the Police Command Benefit Group are not eligible for an Early Retirement Benefit.

7.1 Service Requirement for Eligibility for a Temporary Disability Benefit The service requirement for a Temporary Disability Benefit is that the Participant has completed at least 10 Years of Credited Service.

7.6 Duty Disability - Special Rules The following special rules shall apply to a Participant who is a member of the Police Command Benefit Group who is applying for or receiving a Temporary Disability Benefit in a duty disability situation.

(a) Definition of Total Disability "Total disability" or "Totally disabled" shall mean a total and permanent inability of the Participant to engage in the essential functions of his current employment position with Employer as a result of a physical or mental condition of the Participant.

(b) Amount of Monthly Temporary Disability Pension Benefit In no event shall the amount of the Participant's monthly pension benefit be:

(1) Less than 50 percent of the Participant's Average Monthly Compensation at the time of his total disability; or

(2) More than 90 percent of the Participant's Average Monthly Compensation at the time of his total disability.

(c) Conversion to Normal Retirement Benefit Upon attaining the minimum age requirement to be eligible for a Normal Retirement Benefit, the Participant shall receive a Normal Retirement Benefit as follows:

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- (1) The Participant's Normal Retirement Benefit shall be based upon the Participant's actual Years of Credited Service, plus the Participant shall receive Years of Credited Service for the period of time the Participant was receiving a Temporary Disability Benefit.
- (2) The Participant's Average Monthly Compensation shall mean the monthly average of the base earnings the Participant would have received during the 36 consecutive months immediately preceding his attainment of Normal Retirement Age if the Participant was actively employed in the job classification the Participant held with Employer immediately preceding his total disability.
- (3) The Participant's Normal Retirement Benefit shall be paid in the form determined under Article 10, and need not be the same form as the Participant's form of Temporary Disability Benefit. However, if a Participant makes an election to receive his Normal Retirement Benefit payable in a form which is different than the form of his Temporary Disability Benefit, the Board of Trustees shall make any adjustments necessary to ensure that the new election shall not require the Defined Benefit Plan to provide increased benefits to the Participant (determined on the basis of Actuarially Equivalent value).

8.1(c) Service Requirement for Eligibility for a Death Benefit The service requirement for a death benefit is that the Participant has completed at least 10 Years of Credited Service.

9.1 Service Requirement for Eligibility for a Deferred Vested Benefit The service requirement for eligibility for a Deferred Vested Benefit is that Participant has completed at least 10 Years of Credited Service.

11.3 Coordination With Workers' Disability Compensation Benefits In computing the Participant's minimum and maximum pension benefit for purposes of this Section, any workers' disability compensation benefits paid to the Participant, any Social Security disability benefits paid to the Participant, and/or any compensation received by the Participant in any gainful employment shall not be considered (i.e., shall not be

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coordinated with the Participant's monthly pension benefit or used to offset or reduce the Participant's monthly pension benefit.)

But for those Participants who retire with a duty disability benefit on or after July 1, 2000, benefits payable under the Defined Benefit Plan shall be fully coordinated (to the extent permitted by applicable law) with workers' disability compensation benefits. However, a Participant who is receiving a duty disability pension shall have benefits coordinated until the Participant reaches age 50 as follows: The Defined Benefit Plan benefit shall be paid first, then the workers' disability compensation benefit shall be payable to the extent the total combined benefit equals 100 percent of the Participant's net after-tax wages at the time the Participant becomes disabled. Upon attainment of age 50, full coordination shall apply.

- 12.1 Accumulated Employee Contributions As a condition of participation in the Defined Benefit Plan, a Participant in the Police Command Benefit Group must contribute a specific percentage of his Compensation each year. The specified percentage is set forth in the currently effective Collective Bargaining Agreement for the Police Officers Labor Council Wyoming Command Division.
- 13.1 Compulsory Retirement Compulsory retirement shall be at age 57.
- 13.2 Permitted Continuation Permitted continuation shall be to age 63; or age 65 for the chief or deputy chief.
- 19.3 Eligibility for the DROP Participants in the Police Command Benefit Group shall be eligible to participate in the DROP as provided in Article 19.

**Schedule D
to the
City of Wyoming
Defined Benefit Pension Plan**

Police Nonsupervisory Benefit Group

- | <u>Section</u> | <u>Provision</u> |
|-----------------------|---|
| 2.6 | <u>Definition of Average Monthly Compensation</u> Average Monthly Compensation means the monthly average of the Participant's Compensation earned during the 36 highest paid consecutive months during the 60 months immediately preceding his Severance from Employment. However, for a Participant who has less than 36 consecutive months, "Average Monthly Compensation" means the monthly average of the Compensation earned prior to his Severance from Employment. |
| 3.1 | <u>Eligibility to Participate.</u> A member of this Benefit Group whose initial Date of Employment is after September 4, 2007, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan. |
| 5.1 | <u>Definition of Normal Retirement Age</u> Normal Retirement Age means the Participant has attained age 50 and completed at least 10 Years of Credited Service. |
| 5.2(b) | <u>Benefit Formula</u> The benefit formula is the Participant's Years of Credited Service, up to the maximum set forth in this Section, multiplied by the following percentage of the Participant's Average Monthly Compensation: |

<u>Participant's Date of Retirement</u>	<u>Benefit Percentage</u>	<u>Maximum Number of Years of Credited Service</u>
Before July 1, 2011	See Article IV of Chapter 58 of the City Code	See Article IV of Chapter 58 of the City Code
July 1, 2011	2.70	30

<u>Section</u>	<u>Provision</u>
5.2(c)	<u>Annual Pension Adjustment</u> There shall be no annual pension adjustment.
6.1	<u>Definition of Early Retirement Age</u> Participants in the Police Nonsupervisory Benefit Group are not eligible for an Early Retirement Benefit.
7.1	<u>Service Requirement for Eligibility for a Temporary Disability Benefit</u> The service requirement for a Temporary Disability Benefit is that the Participant has completed at least 10 Years of Credited Service.
7.6	<p><u>Duty Disability - Special Rules</u> The following special rules shall apply to a Participant who is a member of the Police Nonsupervisory Benefit Group who is applying for or receiving a Temporary Disability Benefit in a duty disability situation.</p> <p>(a) <u>Definition of Total Disability</u> “Total disability” or “Totally disabled” shall mean a total and permanent inability of the Participant to engage in the essential functions of his current employment position with Employer as a result of a physical or mental condition of the Participant.</p> <p>(b) <u>Amount of Monthly Temporary Disability Pension Benefit</u> In no event shall the amount of the Participant’s monthly pension benefit be:</p> <p>(1) Less than 50 percent of the Participant’s Average Monthly Compensation at the time of his total disability; or</p> <p>(2) More than 90 percent of the Participant’s Average Monthly Compensation at the time of his total disability.</p> <p>(c) <u>Conversion to Normal Retirement Benefit</u> Upon attaining the minimum age requirement to be eligible for a Normal Retirement Benefit, the Participant shall receive a Normal Retirement Benefit as follows:</p> <p>(1) The Participant’s Normal Retirement Benefit shall be based upon the Participant’s actual Years of Credited Service, plus the Participant shall receive Years of</p>

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Credited Service for the period of time the Participant was receiving a Temporary Disability Benefit.

(2) The Participant's Average Monthly Compensation shall mean the monthly average of the base earnings the Participant would have received during the 36 consecutive months immediately preceding his attainment of Normal Retirement Age if the Participant was actively employed in the job classification the Participant held with Employer immediately preceding his total disability.

(3) The Participant's Normal Retirement Benefit shall be paid in the form determined under Article 10, and need not be the same form as the Participant's form of Temporary Disability Benefit. However, if a Participant makes an election to receive his Normal Retirement Benefit payable in a form which is different than the form of his Temporary Disability Benefit, the Board of Trustees shall make any adjustments necessary to ensure that the new election shall not require the Defined Benefit Plan to provide increased benefits to the Participant (determined on the basis of Actuarially Equivalent value).

8.1(c) Service Requirement for Eligibility for a Death Benefit The service requirement for eligibility for a death benefit is that the Participant has completed at least 10 Years of Credited Service.

9.1 Service Requirement for Eligibility for a Deferred Vested Benefit The service requirement for eligibility for a Deferred Vested Benefit is that the Participant has completed at least 10 Years of Credited Service.

11.3 Coordination With Workers' Disability Compensation Benefits In computing the Participant's minimum and maximum pension benefit for purposes of this Section, any workers' disability compensation benefits, paid to the Participant, any Social Security disability benefits paid to the Participant, and/or any compensation received by the Participant in any gainful employment shall not be considered (i.e., shall not be coordinated with the Participant's monthly pension benefit or used to offset or reduce the Participant's monthly pension benefit.)

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But for those Participants who retire with a duty disability benefit on or after July 1, 2000, benefits payable under the Defined Benefit Plan shall be fully coordinated (to the extent permitted by applicable law) with workers' disability compensation benefits. However, a Participant who is receiving a duty disability pension shall have benefits coordinated until the Participant reaches age 50 as follows: The Defined Benefit Plan benefit shall be paid first, then the workers' disability compensation benefit shall be payable to the extent the total combined benefit equals 100 percent of the Participant's net after-tax wages at the time the Participant becomes disabled. Upon attainment of age 50, full coordination shall apply.

- 12.1 Accumulated Employee Contributions As a condition of participation in the Defined Benefit Plan, a Participant in the Police Nonsupervisory Benefit Group must contribute a specific percentage of his Compensation each year. The specified percentage is set forth in the currently effective Collective Bargaining Agreement for the Police Officers Labor Council Wyoming Division.
- 13.1 Compulsory Retirement Compulsory retirement shall be at age 57.
- 13.2 Permitted Continuation Permitted continuation shall be to age 63.
- 19.3 Eligibility for the DROP Participants in the Police Nonsupervisory Benefit Group are ineligible to participate in the DROP.

**Schedule E
to the
City of Wyoming
Defined Benefit Pension Plan**

Police ECO Benefit Group

<u>Section</u>	<u>Provision</u>						
2.6	<u>Definition of Average Monthly Compensation</u> Average Monthly Compensation means the monthly average of the Participant's Compensation earned during the 36 highest paid consecutive months during the 60 months immediately preceding his Severance from Employment. However, for a Participant who has less than 36 consecutive months, "Average Monthly Compensation" means the monthly average of the Compensation earned prior to his Severance from Employment.						
3.1	<u>Eligibility to Participate.</u> A member of this Benefit Group whose initial Date of Employment is after November 7, 2005, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan.						
5.1	<u>Definition of Normal Retirement Age</u> Normal Retirement Age means the Participant has attained age 55 and completed at least 10 Years of Credited Service.						
5.2(b)	<u>Benefit Formula</u> The benefit formula shall be the Participant's Years of Credited Service multiplied by the following percentage of the Participant's Average Monthly Compensation:						
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Participant's Date of Retirement</u></th> <th style="text-align: left;"><u>Benefit Percentage</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Before July 1 2011</td> <td style="text-align: left;">See Article IV of Chapter 58 of the City Code</td> </tr> <tr> <td style="text-align: left;">July 1, 2011</td> <td style="text-align: left;">2.35</td> </tr> </tbody> </table>	<u>Participant's Date of Retirement</u>	<u>Benefit Percentage</u>	Before July 1 2011	See Article IV of Chapter 58 of the City Code	July 1, 2011	2.35
<u>Participant's Date of Retirement</u>	<u>Benefit Percentage</u>						
Before July 1 2011	See Article IV of Chapter 58 of the City Code						
July 1, 2011	2.35						
5.2(c)	<u>Annual Pension Adjustment</u> There shall be no annual pension adjustment.						

<u>Section</u>	<u>Provision</u>
6.1	<u>Definition of Early Retirement Age</u> Participants in the Police ECO Benefit Group are not eligible for an Early Retirement Benefit.
7.1	<u>Service Requirement for Eligibility for a Temporary Disability Benefit</u> The service requirement eligibility for a Temporary Disability Benefit is that the Participant has completed at least 10 Years of Credited Service.
7.6	<u>Duty Disability - Special Rules</u> No special rules apply to Participants in the Police ECO Benefit Group who experience a duty disability.
8.1(c)	<u>Service Requirement for Eligibility for a Death Benefit</u> The service requirement for eligibility for a death benefit is that the Participant has completed at least 10 Years of Credited Service.
9.1	<u>Service Requirement for Eligibility for a Deferred Vested Benefit</u> The service requirement for eligibility for a Deferred Vested Benefit is that the Participant has completed at least 10 Years of Credited Service.
11.3	<u>Coordination With Workers' Disability Compensation Benefits</u> Benefits payable under the Defined Benefit Plan shall be fully coordinated (to the extent permitted by applicable law) with workers' disability compensation benefits. However, a Participant who is receiving a duty disability pension shall have benefits coordinated until the Participant reaches age 50 as follows: The Defined Benefit Plan benefit shall be paid first, then the workers' disability compensation benefit shall be payable to the extent the total combined benefit equals 100 percent of the Participant's net after-tax wages at the time the Participant becomes disabled. Upon attainment of age 50, full coordination shall apply.
19.3	<u>Eligibility for the DROP</u> Participants in the Police ECO Benefit Group are ineligible for the DROP.

**Schedule F
to the
City of Wyoming
Defined Benefit Pension Plan**

Fire Benefit Group

Section

Provision

- 2.6 Definition of Average Monthly Compensation Average Monthly Compensation means the monthly average of the Participant’s Compensation earned during the 36 highest paid consecutive months during the 60 months immediately preceding his Severance from Employment. However, for a Participant who has less than 36 consecutive months, “Average Monthly Compensation” means the monthly average of the Compensation earned prior to his Severance from Employment.
- 3.1 Eligibility to Participate A member of this Benefit Group whose initial Date of Employment is on or after September 6, 2005, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan.
- 5.1 Definition of Normal Retirement Age Normal Retirement Age means the Participant has attained age 50 and completed at least 10 Years of Credited Service.
- 5.2(b) Benefit Formula The benefit formula is the Participant’s Years of Credited Service, up to the maximum set for in this Section, multiplied by the following percentage of the Participant’s Average Monthly Compensation:

<u>Participant’s Date of Retirement</u>	<u>Benefit Percentage</u>	<u>Maximum Number of Years of Credited Service</u>
Before July 1, 2011	See Article IV of Chapter 58 of the City Code	See Article IV of Chapter 58 of the City Code
July 1, 2011	2.70	30

<u>Section</u>	<u>Provision</u>
5.2(c)	<u>Annual Pension Adjustment</u> There shall be no annual pension adjustment.
6.1	<u>Definition of Early Retirement Age</u> Participants in the Fire Benefit Group are not eligible for an Early Retirement Benefit.
7.1	<u>Service Requirement for Eligibility for a Temporary Disability Benefit</u> The service requirement for a Temporary Disability Benefit is that the Participant has completed at least 10 Years of Credited Service.
7.6	<p><u>Duty Disability - Special Rules</u> The following special rules shall apply to a Participant who is a member of the Fire Benefit Group who applies for a Temporary Disability Benefit in a duty disability situation:</p> <ul style="list-style-type: none"> (a) <u>Definition of Total Disability</u> “Total disability” or “Totally disabled” shall mean a total and permanent inability of the Participant to engage in the essential functions of his current employment position with Employer as a result of a physical or mental condition of the Participant. (b) <u>Amount of Monthly Temporary Disability Pension Benefit</u> In no event shall the amount of the Participant’s monthly pension benefit be: <ul style="list-style-type: none"> (1) Less than 50 percent of the Participant’s Average Monthly Compensation at the time of his total disability; or (2) More than 90 percent of the Participant’s Average Monthly Compensation at the time of his total disability. (c) <u>Conversion to Normal Retirement Benefit</u> Upon attaining the minimum age requirement to be eligible for a Normal Retirement Benefit, the Participant shall receive a Normal Retirement Benefit as follows: <ul style="list-style-type: none"> (1) The Participant’s Normal Retirement Benefit shall be based upon the Participant’s actual Years of Credited Service, plus the Participant shall receive Years of Credited Service for the period of time the Participant was receiving a Temporary Disability Benefit.

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- (2) The Participant's Average Monthly Compensation shall mean the monthly average of the base earnings the Participant would have received during the 36 consecutive months immediately preceding his attainment of Normal Retirement Age if the Participant was actively employed in the job classification the Participant held with Employer immediately preceding his total disability.
- (3) The Participant's Normal Retirement Benefit shall be paid in the form determined under Article 10, and need not be the same form as the Participant's form of Temporary Disability Benefit. However, if a Participant makes an election to receive his Normal Retirement Benefit payable in a form which is different than the form of his Temporary Disability Benefit, the Board of Trustees shall make any adjustments necessary to ensure that the new election shall not require the Defined Benefit Plan to provide increased benefits to the Participant (determined on the basis of Actuarially Equivalent value).

- 8.1(c) Service Requirement for Eligibility for a Death Benefit The service requirement for eligibility for a death benefit is that the Participant has completed at least 10 Years of Credited Service.
- 9.1 Service Requirement for Eligibility for a Deferred Vested Benefit The service requirement for a Deferred Vested Benefit is that the Participant has completed at least 10 Years of Credited Service.
- 11.3 Coordination With Workers' Disability Compensation Benefits Temporary Disability Benefits payable under the Defined Benefit Plan shall be fully coordinated (to the extent permitted by applicable law) with workers' disability compensation benefits.
- 12.1 Accumulated Employee Contributions As a condition of participation in the Defined Benefit Plan, a Participant in the Fire Benefit Group must contribute a specific percentage of his Compensation each year. The specified percentage is set forth in the currently effective Collective Bargaining Agreement for the Wyoming Fire Fighters Association.

<u>Section</u>	<u>Provision</u>
13.1	<u>Compulsory Retirement</u> Compulsory retirement shall be at age 60.
13.2	<u>Permitted Continuation</u> Permitted continuation shall be up to age 63; age 65 if the chief or deputy chief.
19.3	<u>Eligibility for the DROP</u> Participants in the Fire Benefit Group are ineligible for the DROP.

**Schedule G
to the
City of Wyoming
Defined Benefit Pension Plan**

Administrative Contract Group

The provisions of Schedule B shall apply to members of this Benefit Group.

**2017-1 AMENDMENT
TO THE
CITY OF WYOMING
DEFINED BENEFIT PLAN
(Restated effective July 1, 2015)**

This 2017-1 Amendment to the CITY OF WYOMING DEFINED BENEFIT PLAN (“Plan”) is adopted by the CITY OF WYOMING (“City”) to clarify the death benefit language of the Plan and to reflect the City’s intent. Except as otherwise indicated, the amendment is effective July 1, 2016 and applies to all Participants who are employed by the City on or after July 1, 2015 and who die on or after July 1, 2016.

Pursuant to Section 17.1 of the Plan, Plan Sponsor amends the Plan as follows:

A.

Article 8 is amended as follows:

Article 8

Death Benefit

8.1 Spousal Death Benefit

The Spouse of a Participant shall be eligible to receive a death benefit if the Participant dies after satisfying the following requirements, but before receiving any benefits from the Defined Benefit Plan:

- (a) The Participant was married to the Spouse at the time of death;
- (b) The Participant did not complete a Beneficiary designation form and submit it to Employer pursuant to Section 8.2 or the designated Beneficiary does not survive the Participant; and
- (c) The Participant died after satisfying the service requirement for his Benefit Group as set forth in the applicable Schedule.

8.2 Non-Spouse Death Benefit

A Beneficiary of a Participant who:

- (a) Died while employed by the Employer or on a leave of absence from Employer to perform Qualified Military Service; and

- (b) Satisfied the service requirement described in Section 8.1(c);

shall be eligible for a non-Spouse death benefit pursuant to this Section. In order for a married Participant to elect a non-Spouse death benefit pursuant to this Section, the Participant's Spouse must consent in writing to the Participant's election of the non-Spouse death benefit and the Participant's naming of another Beneficiary. The Spouse's consent must be witnessed by a notary public. The Beneficiary must be designated by the Participant on a form provided by the Board of Trustees. The Participant may change the Beneficiary designation at any time by completing and filing a new form with the City's Finance Department.

8.3 Amount of Death Benefit

(a) Actively Employed Participants

The monthly pension benefit payable to the Spouse or Beneficiary of a Participant who died while employed by the Employer or on a leave of absence from Employer to perform Qualified Military Service and who is entitled to a death benefit under Section 8.1 or 8.2 shall be computed according to Article 5, in the same manner and in all respects as if the Participant had elected a joint and 100% survivor annuity, named the Spouse or non-Spouse Beneficiary as Beneficiary, and retired the day immediately preceding the Participant's death, notwithstanding the fact that the Participant may not have satisfied all of the conditions for a Normal Retirement Benefit.

(b) Vested Terminated Participants

The monthly pension benefit payable to the Spouse of a Vested Terminated Participant who is entitled to a death benefit under Section 8.1 shall be computed according to Article 5 as of the Vested Terminated Participant's Severance from Employment, in the same manner and in all respects as if the Vested Terminated Participant had elected a joint and 100% survivor annuity, named the Spouse as Beneficiary, and retired the day immediately preceding the Vested Terminated Participant's eligibility for a Deferred Vested Benefit under this Article, notwithstanding the fact that the Vested Terminated Participant may not have satisfied all of the conditions for a Deferred Vested Benefit. A death benefit is not available to a non-Spouse Beneficiary of a Vested Terminated Participant who dies before commencement of a Normal Retirement Benefit.

8.4 Commencement of Death Benefit

The monthly death benefit will be payable to a Spouse or Beneficiary who is eligible for, and has applied for, the death benefit. Benefits will be payable no later than the last working day of the month following the death of the Participant, and will continue to be paid no later than the last working day of each subsequent month until the death of the Spouse or Beneficiary or the end of the ten year period certain, as applicable. However, if the Participant dies after his Severance from Employment, no monthly benefits will be paid before the first day of the month after the Participant would have attained his Normal Retirement Age.

8.5 Form of Death Benefit

The Spousal death benefit shall be payable in the form of a joint and 100% survivor annuity based on the life of the Participant and the Spouse. The non-Spouse death benefit shall be payable in the form of the ten-year period certain and life annuity based on the life of the Participant or the joint and 100% survivor annuity over the lives of the Participant and Beneficiary. If the form of payment of the non-Spouse death benefit is the joint and 100% survivor annuity, the Beneficiary must be dependent upon the Participant for at least 50 percent of the Beneficiary's financial support.

8.6 Duty Death - Special Rules

In the event the Board of Trustees determines that the Participant's death is the natural and proximate result, independent of all other causes, of an injury or illness arising out of and in the course of the Participant's actual performance of duties with Employer, the following special rules apply:

(a) The minimum number of Years of Credited Service requirement described in Section 8.1(c) shall be waived.

(b) The amount of the Spouse's death benefit shall be computed in accordance with Section 8.1, and an additional amount shall be added, if necessary, to provide a minimum death benefit of 25 percent of the Participant's Average Monthly Compensation.

(c) Any additional amount of death benefit paid to a Spouse pursuant to Section 8.6(b) shall terminate upon the remarriage of the Spouse.

(d) During periods that a death benefit is not being paid to a Spouse, the surviving children of the Participant who are under age 18 shall be paid a death benefit calculated in accordance with Section 8.6(b). If there is more than one surviving child who is under age 18, the death benefit shall be distributed to such children in equal shares. The death benefit shall terminate upon the earliest of the last child's attainment of age 18, marriage, adoption or death.

8.7 Non-Spouse Beneficiary

The Participant may designate a trust as Beneficiary. The Board of Trustees shall determine the rights of any trustee designated as a Beneficiary without responsibility for determining the validity, existence or provisions of that trust, and shall not have responsibility for the application of sums paid to that trustee or for the discharge of the trust.

The rules of this paragraph apply unless provided otherwise in a Participant's Beneficiary designation form. If a Participant designates one primary Beneficiary and the Beneficiary dies after the Participant but before benefit payments are completed, any remaining benefits will be payable to the secondary Beneficiary. If a Participant fails to designate a secondary Beneficiary or if no secondary Beneficiary survives the primary Beneficiary, any remaining benefits will be payable to the deceased primary Beneficiary's heirs in the manner described in the next paragraph. If a Participant designates more than one primary Beneficiary

or more than one secondary Beneficiary and a Beneficiary dies before benefit payments are completed, the share payable to the deceased Beneficiary must be paid to the deceased Beneficiary's heirs in the manner described in the next paragraph as if the Beneficiary was the Participant.

If a Beneficiary of an unmarried Participant would be eligible for a non-Spouse death benefit under Section 8.2, but the Participant dies before signing and filing a Beneficiary designation form with the Board of Trustees, or if the Beneficiary named in the unmarried Participant's Beneficiary designation form does not survive the unmarried Participant, the unmarried Participant's non-Spouse death benefit shall be paid in equal shares to the members of the first of the classes listed below having a living member on the date the distribution is payable in the form of the ten-year period certain and life annuity. The classes, in order of priority, are as follows:

(a) The unmarried Participant's children or their then-living issue, by right of representation; and

(b) The individual's estate, if under active administrator, and if not, the legal heirs of the unmarried Participant under the laws of the unmarried Participant's state of residence on the date of the unmarried Participant's death.

A Beneficiary is permitted to disclaim the Beneficiary's rights to a death benefit under the Plan to the extent permitted by applicable law. If this occurs, the Beneficiary shall be treated as predeceasing the Participant for purposes of this Section.

The records of the City shall be conclusive as to the proper payee and the amount payable. A distribution made based upon these facts shall be treated as a complete discharge of all obligations under the Plan.

8.8 Rollover by Non-Spouse Beneficiary

A Beneficiary who is not the Participant's Spouse shall be permitted to elect a direct rollover to an individual retirement account of any lump sum death benefit payable to the Beneficiary as provided in Article 19 or Section 10.3(c).

B.

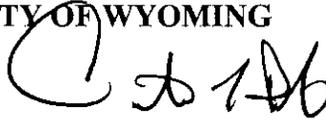
In all other respects, the Plan is unchanged.

Signature

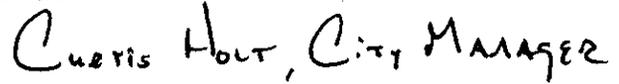
Plan Sponsor signs this 2017-1 Amendment to the City of Wyoming Defined Benefit Plan on the date stated below.

Dated: 5.17, 2017

CITY OF WYOMING



Signature



Printed Name and Title