

AGENDA
WYOMING CITY COUNCIL MEETING
CITY COUNCIL CHAMBERS
MONDAY, JULY 18, 2011 AT 7:00 P.M.

- 1) Call to Order**
- 2) Invocation**
Pastor Clark Clemens, Resurrection Life Church.
- 3) Pledge of Allegiance**
- 4) Roll Call**
- 5) Student Recognition**
- 6) Approval of Minutes**
From the regular meeting of July 5, 2011.
- 7) Approval of Agenda**
- 8) Public Hearings**
7:01 p.m.: To Consider an Amendment to an Industrial Facilities Exemption Certificate issued to Undercar Products Group, Inc.
- 9) Public Comment on Agenda Items** (3 minute limit per person)
- 10) Presentations and Proclamations**
 - a) Presentations
 1. Wyoming Police Department Annual Report, 2010.
 - b) Proclamations
- 11) Petitions and Communications**
 - a) Petitions
 - b) Communications
- 12) Reports from City Officers**
 - a) From City Council
 1. Expense Report of Bolt, Vanderwood, Ver Hulst and Voorhees for their attendance at the Grand Valley Metro Council Luncheon held on July 18, 2011.
 - b) From City Manager
 1. 11-05: Acceptance of Sidewalk Easement at 1300 Gezon Parkway (Gordon Food Service, Inc.)
 2. 11-06: Acceptance of Sidewalk Easement at 1500 Gezon Parkway (Weller Manufacturing, LLC)
- 13) Budget Amendments**
- 14) Consent Agenda**
- 15) Resolutions**
 - a) Approving an Amendment to an Industrial Facilities Exemption Certificate issued to Undercar Products Group, Inc.
 - b) To Adopt the Amended and Restated Retirement and Retiree Health Plans
- 16) Award of Bids, Contracts, Purchases, and Renewal of Bids and Contracts**
 - c) To Authorize the Mayor and City Clerk to Execute an Agreement with the Michigan Department of Transportation for the widening of Gezon Parkway from Weller Ct. to 56th Street
 - d) To Accept a Proposal from John Henry, MAI for Appraisal Services
 - e) To Authorize Support Services for the SCADA System from Tetra Tech

17) Ordinances

6-11: To Amend Chapter 58 the Code of the City of Wyoming (Retirement Plan) FIRST READING

7-11: To Amend Chapter 58 of the Code of the City of Wyoming (Retirement Plan) FIRST READING

8-11: To Amend Chapter 58 and 59 of the Code of the City of Wyoming (Retirement Plan, Retiree Health Plans) FIRST READING

18) Informational Material

a) Pit Bull Presentation

19) Acknowledgment of Visitors

20) Closed Session (as necessary)

a) Labor Negotiations

21) Adjournment

July 18, 2011

Wyoming City Council
Wyoming, Michigan

City Manager's Report No. 11-05:

Subject: Acceptance of a Sidewalk Easement at 1300 Gezon Parkway
(Gordon Food Service, Inc.)

Councilmembers:

Gordon Food Service, Inc., owner of the site located at 1300 Gezon Parkway has submitted the following described Sidewalk Easement. The easement conveys land to the City of Wyoming to relocate the existing sidewalk as part of the Gezon Parkway widening associated with the relocation of the Gordon Food Service headquarters.

Grantor:	Gordon Food Service, Inc.
Parent Parcels:	41-17-35-300-030
Right of Way Size:	see attachment
Consideration:	\$1.00

It is recommended that the City Council accept the attached Sidewalk Easement which has been approved as to form by the City Attorney.

Respectfully submitted,

Curtis L. Holt
City Manager

Attachments: Sidewalk Easement

SIDEWALK EASEMENT

The Grantor, Gordon Food Service, Inc., whose address is P.O. Box 1787, Grand Rapids, Michigan 49548 (the "Grantor"), CONVEYS TO THE CITY OF WYOMING, a Michigan municipal corporation whose address is 1155-28th Street, SW, Wyoming, Michigan 49509, an **easement** and **right of way** for **sidewalk** and **non motorized trail** purposes, in, over, and upon the real property located in the City of Wyoming, County of Kent, and State of Michigan, known and described as follows:

See Exhibit "A" attached hereto for the Legal Description

For the full consideration of **One Dollar (\$1.00)**

Grantor shall not construct any buildings or permanent structures upon said easement.

DATED: 6-15-11

Approved as to form:
Paul Shute
Attorney for the City of Wyoming

WITNESSES:

GRANTOR:

Jane S. Lovce
* JANE S. LOVCE
Roslyn L. Thoit
Roslyn L. Thoit

By *Robert R. Stead*
* Robert R. Stead
Its GENERAL COUNSEL of
Gordon Food Service, Inc.

* Print or type name beneath signature Line

**STATE OF MICHIGAN
COUNTY OF KENT**

On June 15, 2011, before me, a Notary Public, in and for said County, personally appeared Robert R. Stead, General Counsel of Gordon Food Service, Inc., a Michigan corporation, to me known to be the same person described in and who executed the within instrument, who acknowledged the same to be the free act and deed of said corporation.

Roslyn L. Thoit
* Roslyn L. Thoit Notary Public
Kent County, Michigan
My commission expires: 4/5/14

This Instrument Drafted By:

City of Wyoming
1155-28th Street S.W
Wyoming, MI 49509

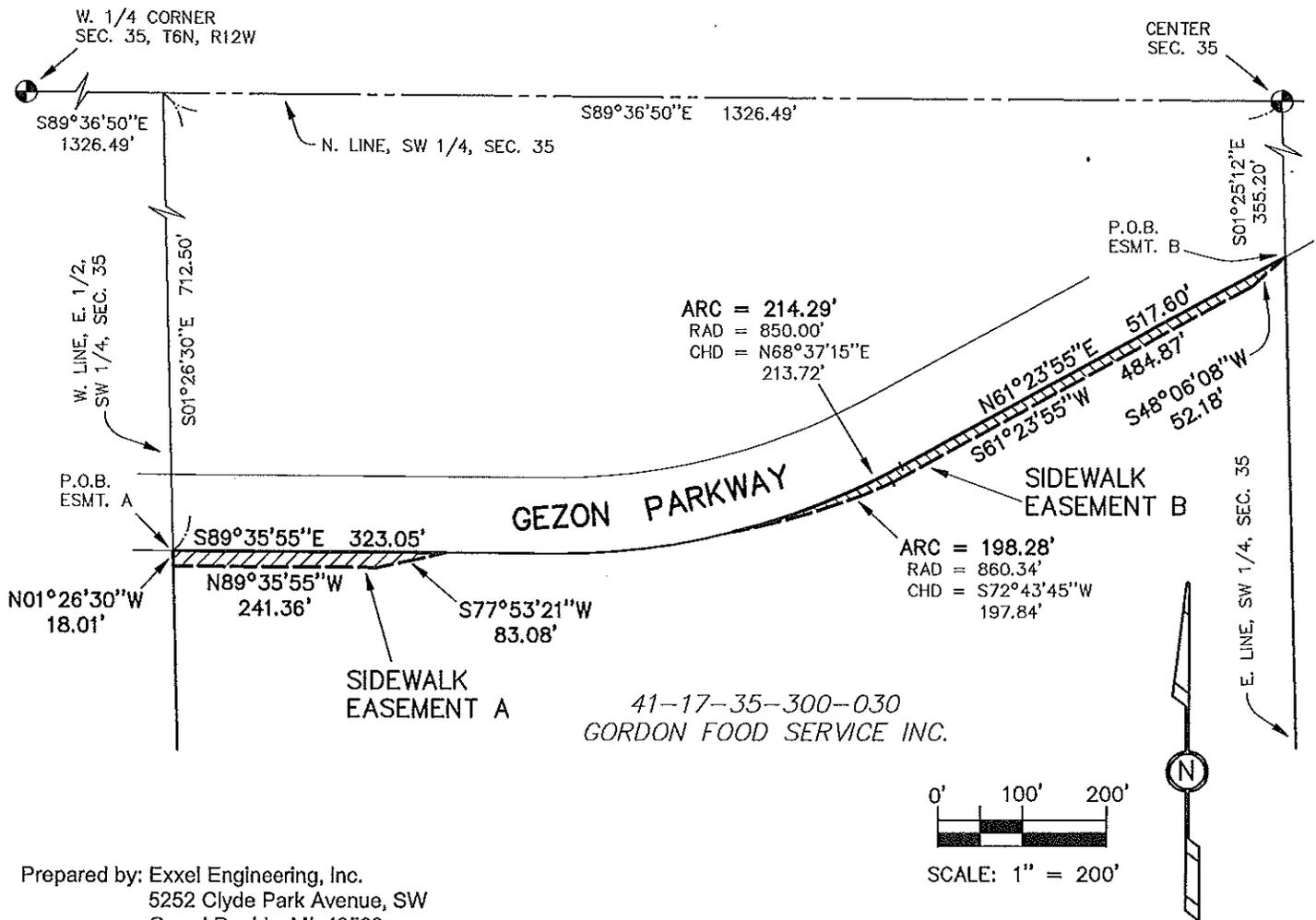
EXHIBIT "A"

Description of Sidewalk Easement A:

Part of the SW 1/4, Section 35, T6N, R12W, City of Wyoming, Kent County, Michigan, described as: Commencing at the W 1/4 corner of Section 35; thence S89°36'50"E 1326.49 feet along the North line of said SW 1/4; thence S01°26'30"E 712.50 feet along the West line of the E 1/2 of said SW 1/4 to the South line of Gezon Parkway and the Place of Beginning of this description; thence S89°35'55"E 323.05 feet along said South line; thence S77°53'21"W 83.08 feet; thence N89°35'55"W 241.36 feet to the West line of the East 1/2, SW 1/4, Section 35; thence N01°26'30"W 18.01 feet along said West line to the place of beginning.

Description of Sidewalk Easement B:

Part of the SW 1/4, Section 35, T6N, R12W, City of Wyoming, Kent County, Michigan, described as: Commencing at the center of Section 35; thence S01°25'12"E 355.20 feet to the Southerly line of Gezon Parkway and the Place of Beginning of this description; thence S48°06'08"W 52.18 feet; thence S61°23'55"W 484.87 feet; thence Southwesterly 198.28 feet along an 860.34 foot radius curve to the right, the chord of which bears S72°43'45"W 197.84 feet to the Southerly line of Gezon Parkway; thence Northeasterly 214.29 feet along said Southerly line on an 850.00 foot radius curve to the left, the chord of which bears N68°37'15"E 213.72 feet; thence N61°23'55"E 517.60 feet along the Southerly line of Gezon Parkway to the place of beginning.



41-17-35-300-030
GORDON FOOD SERVICE INC.

Prepared by: Exxel Engineering, Inc.
5252 Clyde Park Avenue, SW
Grand Rapids, MI 49509

2/18/11 djr

RE: WELLER

P:\971209\dwg\971209-2010.dwg (E-WALK-G)

July 18, 2011

Wyoming City Council
Wyoming, Michigan

City Manager's Report No. 11-06:

Subject: Acceptance of a Sidewalk Easement at 1500 Gezon Parkway
(Weller Manufacturing LLC)

Councilmembers:

Weller Manufacturing LLC, owner of the site located at 1500 Gezon Parkway has submitted the following described Sidewalk Easement. The easement conveys land to the City of Wyoming to relocate the existing sidewalk as part of the Gezon Parkway widening associated with the relocation of the Gordon Food Service headquarters construction.

Grantor:	Weller Manufacturing LLC
Parent Parcels:	41-17-35-300-028
Right of Way Size:	97 x 18 Triangular Shape
Consideration:	\$1.00

It is recommended that the City Council accept the attached Sidewalk Easement which has been approved as to form by the City Attorney.

Respectfully submitted,

Curtis L. Holt
City Manager

Attachments: Sidewalk Easement

SIDEWALK EASEMENT

The Grantor, Weller Manufacturing LLC
whose address is 1500 Gezon Parkway, S.W., Wyoming, MI 49509

CONVEYS TO

City of Wyoming, a Michigan Municipal Corporation whose address is 1155-28th Street, SW, Wyoming, Michigan 49509, an easement and right of way for sidewalk and non motorized trail purposes, in, over, and upon the real property located in the City of Wyoming, County of Kent, and State of Michigan, known and described as follows:

See Exhibit "A" attached hereto for the Legal Description

for the full consideration of **One Dollar (\$1.00)**

Grantor shall not construct any buildings or permanent structures upon said easement

DATED: 4-14-11

Approved as to form:

Jack Shute
Attorney for the City of Wyoming

WITNESSES:

GRANTOR:

Amy S. Rinck
* Amy S. Rinck
Linda J. Dertien
* Linda J. Dertien

By Paul A. Weller - Member
* Paul A. Weller Its of Weller Manufacturing, LLC
By _____
* _____ Its

STATE OF MICHIGAN
COUNTY OF KENT

* Print or type name beneath signature line

On 4-14-11, before me, a Notary Public, in and for said County, personally appeared Paul A. Weller of Weller Manufacturing LLC, a Michigan LLC to me known to be the same person described in and who executed the within instrument, who acknowledged the same to be the free act and deed of said grantor.

This Instrument Drafted By:
Exxel Engineering
5252 Clyde Park SW
Grand Rapids MI 49509

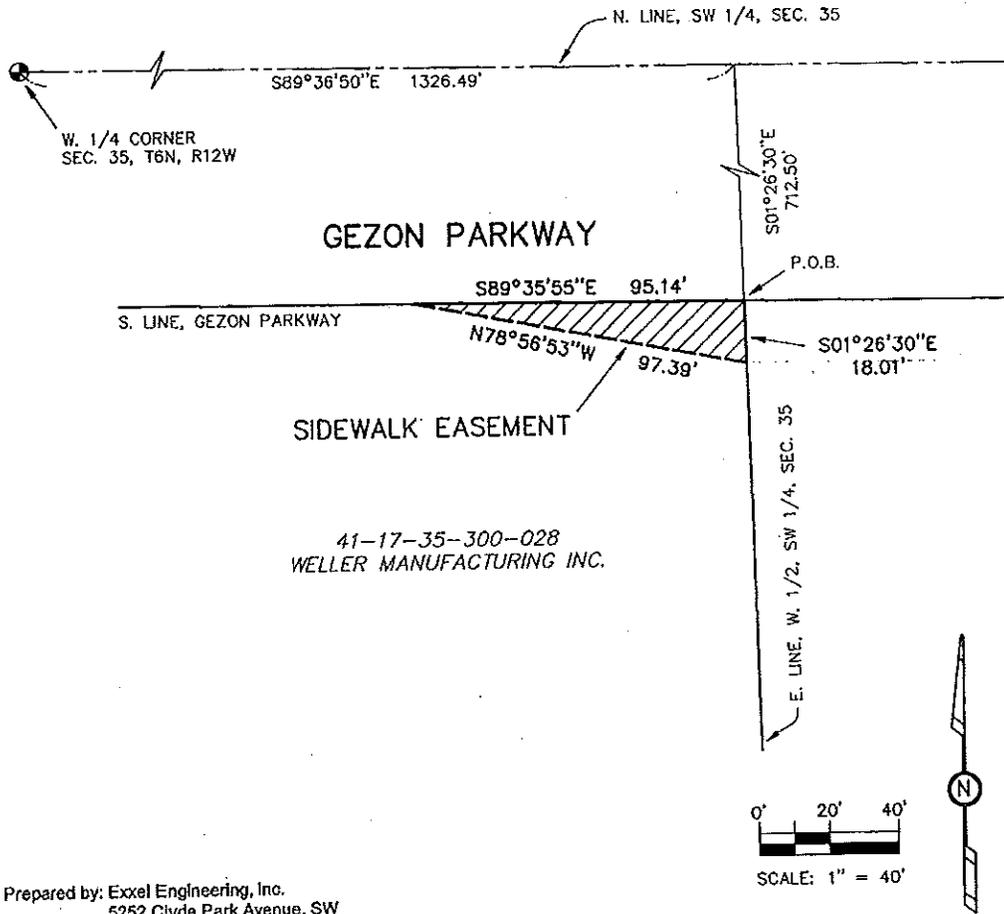
James A. Davidson
* James A. Davidson Notary Public
Kent County, Michigan
My commission expires: 5-21-12

JAMES A. DAVIDSON
NOTARY PUBLIC, STATE OF MI
COUNTY OF KENT
MY COMMISSION EXPIRES May 21, 2012
KENT

EXHIBIT "A"

Description of Sidewalk Easement:

Part of the SW 1/4, Section 35, T6N, R12W, City of Wyoming, Kent County, Michigan, described as: Commencing at the W 1/4 corner of Section 35; thence S89°36'50"E 1326.49 feet along the North line of said SW 1/4; thence S01°26'30"E 712.50 feet along the East line of the W 1/2 of said SW 1/4 to the South line of Gezon Parkway and the Place of Beginning of this description; thence S01°26'30"E 18.01 feet along the East line of the W 1/2 of said SW 1/4; thence N78°56'53"W 97.39 feet to the South line of Gezon Parkway; thence S89°35'55"E 95.14 feet along said South line to the place of beginning.



41-17-35-300-028
WELLER MANUFACTURING INC.

Prepared by: Exxel Engineering, Inc.
5252 Clyde Park Avenue, SW
Grand Rapids, MI 49509

2/18/11 djr

RE: WELLER

P:\971209\dwg\971209-2010.dwg (E-WALK-W)

RESOLUTION NO. _____

RESOLUTION APPROVING AN AMENDMENT TO AN INDUSTRIAL FACILITIES EXEMPTION
CERTIFICATE ISSUED TO UNDERCAR PRODUCTS GROUP, INC.

WHEREAS, in accordance with Public Act 198 (1974 PA 198, as amended, MCL 207.551 *et seq.*), Industrial Facilities Exemption Certificate No. 2010-333 (“Certificate No. 2010-333”) was issued to Undercar Products Group, Inc. (“Undercar”), to facilitate the rehabilitation of its building at 4247 Eastern Avenue, SE, Wyoming, MI 49548; and

WHEREAS, Certificate No. 2010-333 was issued in the amount of \$5,749,113 and took effect December 31, 2010; and

WHEREAS, Undercar has completed its rehabilitation project and the final project costs total \$6,723,036.90, thus exceeding the amount provided for under Certificate No. 2010-333 by 16.9%; and

WHEREAS, Undercar requested that the City Council review and approve the increased final project costs so that an amended Industrial Facilities Exemption Certificate may be issued by the Department of Treasury State Tax Commission; and

WHEREAS, prior to acting on the request, the City Council held a public hearing on July 18, 2011 at 7:01 p.m. at the Wyoming City Hall, 1155 28th Street SW, Wyoming, Michigan, 49509, at which hearing the applicant, the City Assessor and a representative of the affected taxing units were given written notice and were afforded an opportunity to comment.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The City Council approves the increased final project costs submitted by Undercar Products Group, Inc., totaling \$6,723,036.90, such costs exceeding the amount provided for under Industrial Facilities Exemption Certificate No. 2010-333 by 16.9%.
2. The City Clerk is authorized and directed to file a copy of this Resolution, along with Undercar’s amended application and revised project cost and improvement list, with the Department of Treasury State Tax Commission.
3. All resolution and parts of resolutions are, to the extent of any conflict with this resolution, hereby rescinded.

Councilmember _____ moved, seconded by Councilmember _____, that the above Resolution be adopted.

Motion carried: _____ Yeas, _____ Nays.

I hereby certify that the foregoing Resolution was adopted by the City Council for the City of Wyoming, Michigan at a regular session held on the 18th day of July, 2011.

Heidi A. Isakson
Wyoming City Clerk

Resolution No. _____

**CITY COUNCIL
CITY OF WYOMING
Kent County, Michigan**

**NOTICE OF PUBLIC HEARING TO CONSIDER AN
AMENDMENT TO AN INDUSTRIAL FACILITIES
EXEMPTION CERTIFICATE ISSUED TO UNDERCAR
PRODUCTS GROUP, INC**

In accordance with Public Act 198 (1974 PA 198, as amended, MCL 207.551 *et seq.*), Industrial Facilities Exemption Certificate No 2010-333 was issued to Undercar Products Group, Inc., to facilitate the rehabilitation of its building at 4247 Eastern Avenue, SE, Wyoming, MI 45908. Certificate No 2010-333 was issued in the amount of \$5,749,113 and took effect December 31, 2010.

On June 3, 2011, Undercar Products completed its rehabilitation project. Final project costs totaled \$6,723,036.90, thus exceeding the amount provided for under Certificate No 2010-333 by 16.9%. Undercar Products has requested that the City review and approve the increased final project costs so that an amended Industrial Facilities Exemption Certificate may be issued by the Department of Treasury State Tax Commission.

The Wyoming City Council will hold a public hearing on July 18, 2011, at City Hall, 1155 28th Street, SW, Wyoming, MI 49509, at 7:01 p.m., local time, to consider public comment regarding Undercar Product's request.

Materials and related information will be available for inspection at the office of the City Clerk, 1155 28th Street, SW, Wyoming, MI 49509, during normal City business hours, 7:00 a.m. to 5:00 p.m., Monday through Thursday, excluding City holidays. Written comments may be submitted to the City Clerk by first class mail or in person up to the meeting time.

Date: July 13, 2011

Heidi Isakson, Clerk

RESOLUTION NO. _____

RESOLUTION TO ADOPT THE AMENDED AND RESTATED RETIREMENT AND
RETIREE HEALTH PLANS

WHEREAS, the City of Wyoming established its retirement system as a defined benefit pension plan effective as of October 1, 1962 (the “Defined Benefit Plan”); and

WHEREAS, the Defined Benefit Plan was last amended and restated effective as of July 1, 1996; and

WHEREAS, the City established the City of Wyoming Defined Contribution Plan as part of its retirement system effective as of September 6, 2005; and

WHEREAS, the Defined Benefit Plan and the Defined Contribution Plan are intended to meet the requirements of Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, changes in the law since the Defined Contribution Plan was adopted require an amendment and restatement of the Defined Contribution Plan; and

WHEREAS, changes in the law since 1996 require an amendment and restatement of the Defined Benefit Plan; and

WHEREAS, the City historically funded its retiree medical obligations through the Defined Benefit Plan, but adopted a separate trust fund, (the “Retiree Medical Trust”) for that purpose, effective October 1, 2004; and

WHEREAS, the City adopted the City of Wyoming Post Retirement Health Plan effective July 2, 2007 to provide retiree medical benefits to certain employees upon their retirement; and

WHEREAS, the provisions related to the Retiree Medical Trust are currently set forth in Article I of Chapter 59 of the Code; and

WHEREAS, the provisions related to the PEHP are currently set forth in Article II of Chapter 59 of the Code;

WHEREAS, the City has determined it makes sense to remove the provisions in the Defined Benefit Plan related to retiree medical obligations as part of the amendment and restatement of the Defined Benefit Plan and add them to the Retiree Medical Trust; and

WHEREAS, the current third party administrator for the PEHP is requesting changes to the PEHP to comply with its administrative rules; and

WHEREAS, the City has determined that it is more efficient to maintain a plan document setting forth the terms of the Defined Benefit Plan that is separate from and not incorporated into the Code of the City of Wyoming (“Code”); and

WHEREAS, the City has determined that it is more efficient to maintain a plan document setting forth the terms of the Defined Contribution Plan that is separate from and not incorporated into the Code; and

WHEREAS, the City has determined that it is more efficient to maintain a document setting forth the terms of the Retiree Medical Trust that is separate from and not incorporated into the Code; and

WHEREAS, the City has determined that it is more efficient to maintain a plan document setting forth the terms of the PEHP that is separate from and not incorporated into the Code; now therefore

BE IT RESOLVED that the attached City of Wyoming Defined Benefit Plan document be adopted; and

BE IT FURTHER RESOLVED that the City Manager is authorized and directed to sign the attached City of Wyoming Defined Benefit Plan document on behalf of the City; and

BE IT FURTHER RESOLVED that the attached City of Wyoming Defined Contribution Plan document be adopted; and

BE IT FURTHER RESOLVED that the City Manager is authorized and directed to sign the attached City of Wyoming Defined Contribution Plan document on behalf of the City; and

BE IT FURTHER RESOLVED that the attached City of Wyoming Retiree Medical Trust and Benefit Policy document be adopted; and

BE IT FURTHER RESOLVED that the City Manager is authorized and directed to sign the attached City of Wyoming Retiree Medical Trust and Benefit Policy document on behalf of the City; and

BE IT FURTHER RESOLVED that the attached City of Wyoming Post Employment Health Plan document be adopted; and

BE IT FURTHER RESOLVED that the City Manager is authorized and directed to sign the attached City of Wyoming Post Employment Health Plan document on behalf of the City; and

BE IT FURTHER RESOLVED that the City Manager is authorized and directed to:

- Sign any additional amendments that may be necessary to maintain the status of the Defined Benefit Plan or the Defined Contribution Plan as a qualified plan under the Internal Revenue Code;
- Sign any additional amendments to the Defined Benefit Plan, Defined Contribution Plan, Retiree Medical Trust or PEHP that are necessary to incorporate collectively bargained changes into the terms of those documents;
- Sign any additional amendments to the Defined Benefit Plan, Defined Contribution Plan, Retiree Medical Trust or PEHP that do not materially increase the cost to the City of maintaining those benefits; and
- To take such further steps and to perform such additional acts as may be necessary and proper to carry out the purposes of the Defined Benefit Plan, Defined Contribution Plan, Retiree Medical Trust or PEHP.

BE IT FURTHER RESOLVED, that this resolution shall have the same effective date as Ordinance 8-11.

Councilmember _____ moved, seconded by Councilmember _____, that the above Resolution be adopted.

I hereby certify that the above-entitled Resolution was adopted by the City Council for the City of Wyoming, Michigan, at a regular session held on the 18th day of July, 2011.

Heidi A. Isakson
Wyoming City Clerk

Resolution No. _____



Memorandum

TO: Mayor and City Council, City of Wyoming

FROM: Tim Smith, Secretary, City of Wyoming Retirement System

DATE: July 6, 2011

SUBJECT: Retirement Plan Amendments and Restatement

As you will note in the attached memos, Kim Oostindie, Jim Kohmescher and I and the Retirement System's attorney, Susan Sherman, have been working on updating the Retirement System's plans. The purpose of the update is to incorporate union contract changes and legal changes that have occurred over the last several years. While most of the major changes (the inclusion of the defined contribution plan and post employment health plan) had previously occurred, the inclusion of legal changes, updates for contract changes and clarification of various parts of the plan resulted in sufficient changes that the System's attorney recommended a complete restatement of all of the Plans. As we, along with the City's attorney, Jack Sluiter, struggled with how to position the restated plans in the City's Code of Ordinance, the System's attorney recommended that as an alternative, the restated plans should be adopted as "stand alone" plans and not incorporated into the ordinance.

The attached documents include updating the ordinances to the date of the restatement (July 1, 2011) and the restated plans effective July 1, 2011. These documents contain two changes from the information previously sent to the Retirement Board Trustees and unions – the dates have been changed to reflect the updates are through July 1, 2011 and in the defined benefit plan, references to the Emergency Communications Unit have been removed as the unit no longer exists.

Included in the documents are the following:

- I. Resolution No. XX - Resolution Regarding Adoption of Amended and Restated Retirement and Health Plans. This resolution shall have the same effective date as Ordinance 8-11.
 - A. Memo to Mayor and City Council
 - B. Memo to Board of Trustees, City of Wyoming Retirement Plan
 - C. Memorandum from Miller Johnson regarding changes
 - D. Defined Benefit Plan
 - E. Defined Contribution Plan
 - F. Retiree Medical Trust and Benefit Policy
 - G. Post Employment Health Plan

- II. Ordinances
 - A. No. 6-11 An Ordinance to Amend the Code of the City of Wyoming (Chapter 58, defined Benefit Plan)
 - B. No. 7-11 An Ordinance to Amend the Code of the City of Wyoming (Chapter 58, Defined Contribution Plan)
 - C. No. 8-11 An Ordinance to Amend the Code of the City of Wyoming making Chapters 58 and 59 obsolete after June 30, 2011.

While I have not included copies of the documents showing editing changes, they are available if you desire to have a copy of them to use as part of your review.

If you have any questions regarding the enclosed documents, please let me know.



Memorandum

TO: Board of Trustees, City of Wyoming Retirement System

Cc: City of Wyoming Union Presidents

FROM: Tim Smith, Secretary, City of Wyoming Retirement System

DATE: June 7, 2011

SUBJECT: Retirement Plan Amendment and Restatement

Over the past several years, a team consisting of Jim Kohmescher, Director of Administrative Services, Kim Oostindie, Human Resources Supervisor, Susan Sherman, the Plan's benefit attorney, and I have been working on updating the pension ordinance/plans to agree with current union bargaining agreements and to comply with changes in the law. The attached documents represent the results of this project and the information that will be presented to Council in July, 2011.

As explained in the attached memorandum from Susan Sherman, we are also recommending that the City Council approve the changes as a separate Plan Document and remove the plans from the City code. The process by which this will be done is also explained in the memorandum.

As a Trustee, you have a fiduciary obligation of being familiar with the Plans. Therefore, I am providing you with a copy of the revisions that Council will be asked to approve. To assist you in reviewing the documents, I have organized them as follows:

- I. Memorandum from Miller Johnson (Susan Sherman)
- II. Defined Benefit Plan (Restated effective as of July 1, 2010)
- III. An Ordinance to Amend the Code of the City of Wyoming (relating to the defined *benefit* plan pre July 1, 2010 changes bringing the Code up to June 30, 2010)
- IV. Defined Contribution Plan (Restated effective as of July 1, 2010)
- V. An Ordinance to Amend the Code of the City of Wyoming (relating to the defined *contribution* plan pre July 1, 2010 changes bringing the Code up to June 30, 2010)
- VI. Retiree Medical Trust and Benefit Policy (Restated effective July 1, 2010)
- VII. Post Employment Health Plan (Effective as of July 1, 2010)
- VIII. An Ordinance to Amend the Code of the City of Wyoming (relating to the *retiree health plan and PEHP* pre July 1, 2010 changes bringing the Code up to June 30, 2010)
- IX. Resolution Regarding Adoption of Amended and Restated Retirement and Retiree Health Plans

A working copy is available for review; however, do to the number of changes involved, I am not sending out copies of the working copy. If you would like to review, please let me know.

After reading the documents if you have any questions or comments, please let me know.



Calder Plaza Building
250 Monroe Avenue NW
Suite 800
P.O. Box 306
Grand Rapids, MI 49501-0306

616.831.1700
616.831.1701 fax
www.millerjohnson.com

MEMORANDUM

TO Tim Smith
Kim Oostindie
Jim Kohmescher

FROM Susan Sherman

DATE May 11, 2011

SUBJECT Amended and Restated Benefit Plans

Four amended and restated benefit plan documents are attached to this memorandum. It is necessary to amend the City's retirement and retiree health plans at this time to comply with changes in the law, to reflect collectively bargained changes and to reflect the actual operation of these benefits.

The amendment and restatement process had highlighted the inefficiency of maintaining the documentation for these benefits in the City Code. As a result, it has been decided to remove these provisions from the Code and adopt "stand alone" plan documents for each benefit.

The City Council will still have to approve the adoption of the amended and restated documents, as well as any material amendments to the documents. But the City Manager will be able to approve the adoption of amendments made solely for legal compliance or to comply with negotiated changes that have been approved by the City Council. This will make the amendment process much more efficient and should reduce legal fees associated with

amending the plan. I have included a proposed Resolution and a proposed Ordinance for the City Council to approve these changes at the end of this packet.

DEFINED BENEFIT PLAN

Background

Articles III and IV of Chapter 58 of the City Code set forth the provisions of the City's Defined Benefit Plan. It is necessary to amend and restate the Defined Benefit Plan to comply with changes in the law since 1996. We are also taking this opportunity to standardize terminology between the Defined Benefit Plan and the Defined Contribution Plan.

The Defined Benefit Plan is being amended and restated as of July 1, 2011, the first day of the current plan year. Some of the required changes were effective before July 1, 2011. To avoid having retroactive effective dates in the amended and restated Defined Benefit Plan, I have also prepared a separate Ordinance that amends the current Defined Benefit Plan for those changes. That Ordinance is referred to as the "Compliance Ordinance" throughout this memorandum. Procedurally, the Compliance Ordinance should be adopted before the Resolution approving the adoption of the amended and restated Defined Benefit Plan and the Ordinance making the current Defined Benefit Plan provisions in the Code obsolete.

Amended and Restated Plan Document

Changes were made to the Defined Benefit Plan for one of five reasons: (1) to reflect the terms of the current collective bargaining agreements; (2) to take into account the existence of the Defined Contribution Plan; (3) to reflect the establishment of the retiree medical benefits trust; (4) to add or change provisions as required by law; and (5) to reflect the actual operation of the Defined Benefit Plan.

The following comments explain the changes that are being made to the Defined Benefit Plan and the reason(s) for each change. I have also attached a copy of the Defined Benefit Plan that has been marked to show the various changes.

1. Article 1 describes the history of the Plan. Language has been added to explain that the Defined Benefit Plan and Defined Contribution Plan are component parts of the City's overall retirement system. Section 1.3 also describes the organization of the Plan into generally applicable provisions and schedules for each benefit group.

2. Article 2 contains the definitions used in the Plan. A number of terms were updated and/or revised to promote the use of standard terminology in the Defined Benefit Plan and the Defined Contribution Plan (for example, the term "member" was replaced with the term "participant"). Here are some of the more important new or revised definitions:

- The names of the unions were revised to reflect the current name of each union.
- A new benefit group, the "administrative contract" benefit group was added. This group is comprised of full-time, non-union employees who have individual employment contracts with the City.
- The name of the police dispatchers group was changed to the police ECO group to reflect the change in the name of that union.¹
- The terms "defined benefit plan" and "defined contribution plan" were added to describe the two portions of the City's retirement system. Generally, the term "defined benefit plan" replaces the term "plan."
- I revised the definition of the term "hour of service" to reflect the requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). A sentence was also added to this definition stating that the City's payroll and other records will be used to determine a participant's hours of service.
- Definitions of the terms "period of qualified military service," "qualified military service," and "USERRA" were moved from Section 4.2 (formerly Section 58-99) to the definitions section.

¹ Even though the ECO group was transferred to the County at the end of 2010, we need to include provisions relating to that group to cover former members of that group who are entitled to a deferred vested benefit from the Plan.

- I added the term “City.”
- The term “employer” is identified as the City, the 62A District Court and the Wyoming Housing Commission.
- The term “severance from employment” replaces the term “termination of employment.” This is necessary to comply with IRS rules.
- The following defined terms are not used in the amended and restated Defined Benefit Plan and were deleted: code, highly compensated employee, member, plan, and vested former member.

3. The definition of the term “actuarially equivalent” has been updated to reflect changes in the interest rates used to calculate a lump sum payment required under the Pension Protection Act of 2006. (See also Section 1 of the Compliance Ordinance.)

4. The definition of the term “beneficiary” was simplified and more detail was added in Section 8.6 (formerly Section 58-103(f)), which describes a participant’s beneficiary designation for the non-spouse death benefit. This change puts the relevant rules in one location for ease of administration.

5. The definition of the term “benefit group” was revised to include a statement that for purposes of determining an employee’s benefit group, an employee is considered a member of a union if the employee is an actual member of that union or if the employee pays the service dues of the union.

6. The definitions of the police command, fire and administrative contract benefit groups were revised to indicate that those individuals who were appointed to the position of police chief, deputy police chief, fire chief and deputy fire chief before July 1, 2010 are part of the administrative contract group. But anyone appointed to those positions after July 1, 2010 will be part of the police command or fire benefit group if he/she was a member of those groups before being appointed to the chief or deputy chief position. This reflects how the individuals currently in those positions have been treated under the Defined Benefit Plan.

7. The last paragraph of the definition of benefit group was revised to remove the statement that a participant who was covered under more than one benefit group has his or her benefit calculated separately for each benefit group, because it was not consistent with actual plan operation. The entire benefit is calculated based on the benefit formula of the benefit group the participant was in on the date he or she terminates employment with the City.

8. The definition of “compensation” was revised to include differential payments and worker’s compensation, and to specifically exclude amounts received for opting-out of City-provided health insurance. It was also updated to remove provisions that are no longer effective under the Internal Revenue Code.

9. The definition of the term “CPI” was moved to the applicable schedules. (Section 12 of the Compliance Ordinance updates the CPI for the police command group for changes effective in 2008.)

10. I revised the definitions of the term “employee” and “leased employee.” The term employee was revised by removing the paragraph regarding leased employees. That paragraph was relocated to the definition of the term leased employee. This reflects IRS model language for these two definitions.

11. The definition of the term “hours of service” was revised to comply with the requirements of USERRA. This language was previously set forth in Section 58.99(b).

12. The definition of the term “normal retirement date” was revised to reference the DROP.

13. Sections 3.1 and 3.2 (formerly Section 58-98) describe the eligibility rules for participation in the Defined Benefit Plan. These rules were updated to exclude those employees who are not eligible to participate in the Defined Benefit Plan because they elected to transfer to the Defined Contribution Plan or they were hired after the date on which newly-hired employees in their benefit group participate in the Defined Contribution Plan.

14. For clarification, Section 3.3 states that if a participant in the Defined Benefit Plan transfers to another benefit group, he or she will continue to participate in the Defined Benefit Plan, regardless of whether he or she would be eligible to participate in the Defined Benefit Plan under the rules that apply to the new benefit group.

For example, assume a Defined Benefit Plan participant whose initial date of employment is July 1, 2007, transfers from the police nonsupervisory benefit group to the police command benefit group on September 1, 2009. Although his initial date of hire was after the date on which newly-hired members of the police command benefit group participate in the Defined Contribution Plan (February 20, 2006), because he was a participant in the Defined Benefit Plan he will continue as a participant in the Defined Benefit Plan.

15. Section 3.5 provides that re-hired employees who previously participated in the Defined Benefit Plan will again participate in the Defined Benefit Plan on their date of re-hire if they had a vested benefit under the Defined Benefit Plan. Otherwise, they participate in the Defined Contribution Plan. This reflects how the plans have been administered.

16. Article 4 (formerly Section 58-99) contains the rules for earning credited service. I added a new Section 4.4(a)(6)(c) to reflect the operational rule of recognizing service with a prior employer that has adopted the Reciprocal Retirement Act.

17. Section 4.2 addresses credit for military service. This language was revised to more correctly incorporate USERRA's requirements. The City's rules regarding crediting service during a military leave are more generous than what is required under USERRA. For compliance purposes, I added provisions indicating that the Defined Benefit Plan will comply with USERRA (as a minimum) for leaves protected by USERRA.

18. Section 4.3, which addresses re-crediting of prior service after reemployment, was expanded to address the situation where a rehired employee received a distribution of his accumulated employee contributions. As revised, an individual in that situation does not have a vested benefit under the Defined Benefit Plan and does not have the right to repay those contributions and reinstate the benefit. This means the individual will participate in the Defined Contribution Plan.

19. Articles 5, 6 and 9 describe the normal, early, and deferred vested benefit provisions. The following changes were made in those sections:

- The sections describing when benefit payments start were revised to provide that benefits are paid no later than the last working day of each month. This reflects the actual operation of the Defined Benefit Plan. (See, e.g., Section 5.3.)
- Section 6.2 (formerly Section 58-101(b)) was revised to indicate that a participant who is eligible for and receives an early retirement benefit may be subject to an early reduction factor. The actual reduction factors were moved to the schedules of the benefit groups to which they relate.
- Language was added to each section to clarify that payment begins after the participant makes an application for benefits and the application is approved. No retroactive payments are made. Again, this is consistent with how the Defined Benefit Plan has been administered.

20. To account for the special rules that apply to the police command, police nonsupervisory and fire benefit groups with respect to a duty disability, Section 7.6 states that the schedule for a benefit group may contain different rules for duty disability pensions.

21. Article 8 (formerly Section 58-103) describes the death benefits available under the Plan. The Heroes Earnings Assistance and Relief Tax Act of 2008 (the HEART Act) requires that the beneficiaries of a participant who dies while performing military service that is protected by USERRA's reemployment provisions must receive the same death benefits that would have been provided if the participant had been actively employed by the City on the date of his or her death. Section 8.1(c) has been revised to reflect this requirement. (See also Sections 2 and 3 of the Compliance Ordinance.)

22. The only other substantive change to Article 8 is in Section 8.7, which reflects a rule in the Pension Protection Act of 2006 that allows a non-spouse beneficiary to elect a direct rollover of a death benefit to an IRA. (See Section 4 of the Compliance Ordinance.)

23. Article 10 describes the forms in which a participant's benefit may be paid. Section 10.1 (formerly Section 58-105(a)) incorporates another new rule from the Pension Protection Act of 2006. This rule requires that participants who request a distribution before the later of normal retirement age or age 62 receive a written description of the right to defer the distribution to normal retirement age and the consequences of failing to defer the distribution. This requirement was effective as of July 1, 2007. (See Section 5 of the Compliance Ordinance.)

24. Section 10.2 describes the automatic form of payment. The automatic form of payment for a married participant has been changed from the single life annuity to the joint and 100% survivor annuity with the participant's spouse. This follows the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA").

25. Sections 10.3(d) and (e) were revised to reflect that the "pop-up" after the death of a participant's spouse is effective retroactive to the spouse's date of death.

26. The provision requiring the cash out of small benefits under \$1,000 (former Section 58-105(d)) has been deleted because it will not apply to any participant.

27. Section 10.4(a) (formerly Section 58-105(e)) was revised to increase the time for providing the special tax notice required for an eligible rollover distribution from 90 days to 180 days before the distribution. This is also a provision from the Pension Protection Act of 2006 that was effective as of July 1, 2007. (See Section 6 of the Compliance Ordinance.)

28. The definition of "eligible retirement plan" in Section 10.4(d)(3) was revised to include a Roth IRA as an eligible retirement plan as of January 1, 2008. This is another provision from the Pension Protection Act of 2006. (See Section 7 of the Compliance Ordinance.)

29. The rules regarding required minimum distributions upon attainment of age 70½ were moved to their own section (new Section 10.5) and updated for revised IRS regulations.

30. The provisions in Section 11.2 (formerly Section 58-106(b)) relating to the limits on annual pension benefits under Section 415 of the Internal Revenue Code were expanded to include the rules of Section 415, rather than incorporating the rules by reference. This update reflects changes in regulations under Section 415 that were effective as of the first day of the 2008 plan year. (See Section 8 of the Compliance Ordinance.)

31. Section 11.3 describes the general rule for coordinating benefits with workers' compensation payments. Section 58-106(c) currently states that benefits, as a general rule, will not be coordinated. However, the schedules for each benefit group include provisions regarding coordination. Accordingly, I revised this section to indicate that benefits are coordinated as provided in the schedule that applies to the participant.

32. Article 12 (formerly Section 58-107) describes the accumulated employee contributions. Section 12.1 (formerly Section 58-107(a)) has been drafted in a generic manner and refers to the applicable schedules for those benefit groups that make employee contributions and the amount of the required contribution. Each applicable schedule then refers to the required contribution under the collective bargaining agreement. This eliminates the need to amend the Plan if the contribution amount changes. (See Section 9 of the Compliance Ordinance, which updates the ordinance to reflect the increased contribution rate that applied to participants in the police nonsupervisory benefit group as of September 5, 2007.)

33. Former Section 58-108, which addressed retiree medical coverage, has been deleted.

34. Article 14 (formerly Section 58-110) describes the administration of the Defined Benefit Plan. I added several new sections to these rules:

- Section 14.5 specifically authorizes the Board of Trustees to delegate routine matters with limited discretionary authority to the City and/or employees of the City. This will specifically allow things such as approval of a routine application for normal retirement without the involvement of the Board of Trustees.
- Related to this, Section 14.6 provides that the City will indemnify employees for any claims arising out of their performance of administrative duties related to the Defined Benefit Plan.
- For clarity, the subsection regarding investment of Defined Benefit Plan assets was broken into two sections, with the provisions relating to the standard of care to be used by the Board of Trustees now in a separate section.
- Section 14.9, "Employment of Agents by Board of Trustees," has also been added. This section specifically authorizes the Board of Trustees to hire experts and/or legal counsel.

35. Section 16.4, which is the spendthrift provision, was revised to reflect that under state law, a participant's pension benefits can also be forfeited under the State Correctional Facility Reimbursement Act and the Public Employee Retirement Benefits Forfeiture Act. I've attached copies of both of those Acts for your reference.

36. Article 17 (formerly Section 58-113) has been expanded to include procedures for winding up the Plan if the City were to terminate it.

37. New Section 18.8 was added to address the situation where a change in the Plan is collectively bargained but the Plan has not yet been amended to reflect that change.

38. Article 19 describes the DROP benefit. These provisions have been reorganized for clarity. I also deleted the provisions relating to it being a “test” benefit. Section 19.2 reflects the fact that the most recent collective bargaining agreement with the police command group requires a DROP participant to terminate employment within three years of entering the DROP (instead of five years).

39. The provisions regarding retiree medical coverage were removed from the schedules for the various benefit groups.

40. Each schedule states that members of each benefit group initially hired after the date on which the Defined Contribution Plan became available to that benefit group are not eligible to participate in the Defined Benefit Plan.

41. Each schedule describes the benefit formula/pension multiplier that applies to each benefit group. As drafted, the schedules contain the currently effective multipliers, but refer back to either Article IV or Article II of Chapter 58 of the City Code for multipliers that were previously in effect.

(See also Section 11 of the Compliance Ordinance, which updates the multiplier for the police command group as of September 1, 2008, Section 14, which updates the multiplier for the police nonsupervisory group as of September 5, 2007, and Section 16, which updates the multiplier for the police ECO group as of January 1, 1998.)

42. Each schedule now indicates whether members of the benefit group are eligible to participate in the DROP. This is consistent with how other provisions are handled (for example, for those benefit groups that do not have an annual pension adjustment, the schedule indicates that there is no annual adjustment).

43. The schedule for the administrative and supervisory group was revised to add the reduction for early retirement for participants with less than 25 years of service who became members of the benefit group after July 1, 2007. (See also Section 10 of the Compliance Ordinance which adds this provision retroactive to July 1, 2007.

44. Special rules for a duty disability were added to the schedules for the police command, police nonsupervisory and fire benefit groups. Provisions were added to the other schedules indicating that no special rules apply to a duty disability situation. (Sections 13, 15 and 19 of the Compliance Ordinance retroactively add these provisions to the current plan.)

45. The compulsory retirement provisions for the general and administrative and supervisory groups were revised to indicate they apply “to the extent permitted by law.” This is because under the ADEA, mandatory retirement is generally only permitted for employees that fall under the ADEA’s firefighter and law enforcement officer exception.

46. The schedule for the fire benefit group indicates the normal retirement age is 50. (See also Section 17 of the Compliance Ordinance, which adds the reduction in the normal retirement age for members of the fire benefit group as of September 5, 2007.)

47. Section 18 of the Compliance Ordinance contains a provision that is not included in the amended and restated Defined Benefit Plan. Section 18 revises the schedule for the fire benefit group to add the special increased benefit formula that applies to participants who died between July 1, 2008 and January 17, 2010. This was not included in the amended and restated Defined Benefit Plan because it “expired” before the effective date of the amended and restated plan.

DEFINED CONTRIBUTION PLAN

Background

The City adopted the Defined Contribution Plan as of September 6, 2005, for the purpose of providing retirement benefits to employees hired after that date. The terms and conditions of the Defined Contribution Plan are currently in Articles V and VI of Chapter 58 of the City Code. It is necessary to amend the Defined Contribution Plan at this time to comply with changes in the law since it was adopted, and to reflect the provisions related to the Defined Contribution Plan in the most recently negotiated collective bargaining agreements. We are also taking this opportunity to standardize terminology between the Defined Benefit Plan and the Defined Contribution Plan.

The amended and restated Defined Contribution Plan is effective as of July 1, 2011, the first day of the current plan year. Some of the required changes were effective before July 1, 2011. To avoid having retroactive effective dates in the amended and restated Defined Contribution Plan, I have also prepared a separate Ordinance that amends the current Defined Contribution Plan for those changes. That Ordinance is referred to as the “Compliance Ordinance” throughout this memorandum. Procedurally, the Compliance Ordinance should be adopted before the Resolution approving the adoption of the amended and restated Defined

Contribution Plan and the Ordinance making the current Defined Contribution Plan provisions in the Code obsolete.

Amended and Restated Plan Document

Changes were made to the Defined Contribution Plan for one of three reasons:

(1) to reflect the terms of the current collective bargaining agreements; (2) to reflect the actual operation of the Defined Contribution Plan; and (3) to add or change provisions as required by law.

The following comments explain the changes that are being made to the Defined Contribution Plan and the reason(s) for each change. I have also attached a copy of the Defined Contribution Plan that has been marked to show the various changes.

1. The current version of the Defined Contribution Plan contains provisions relating to employee voluntary after-tax contributions to the Plan. However, because no employee has ever made after-tax contributions to the Plan and the current collective bargaining agreements do not provide for employee after-tax contributions, all provisions relating to those contributions have been removed from the Plan.

2. Much of the administration of the Defined Contribution Plan is handled by Nationwide Retirement Services instead of the board of trustees. To more accurately reflect that division of responsibilities, the term “plan administrator” has replaced the term “board of trustees” in many places throughout the document. The board of trustees is designated as the plan administrator, and has the ultimate discretionary authority with respect to the administration of the Defined Contribution Plan. But the document also allows the board of trustees to delegate its authority as plan administrator to a third party, such as Nationwide.

3. Article 1 describes the history of the Plan. Language has been added to explain that the Defined Benefit Plan and Defined Contribution Plan are component parts of the City’s overall retirement system. Section 1.3 also describes the organization of the Plan into generally applicable provisions and schedules for each benefit group.

4. As a result of the process of standardizing the terms used in the Defined Benefit Plan and the Defined Contribution Plan, a significant number of changes were made to the definitions in Article 2 (formerly Section 58-502). Here are some of the more important new or revised definitions:

- The definition of “beneficiary” was revised. It is now identical to the definition of the term beneficiary in the Defined Benefit Plan.

It was also moved to the definitions section to mirror the organizational format of the Defined Benefit Plan.

- The name of the police dispatchers group was changed to the police ECO group to reflect the change in the name of that union.²
- The definition of the term “benefit group” was also revised to clarify the benefit groups that cover the police and fire chief and deputy chief.
- The terms “defined benefit plan” and “defined contribution plan” were added to describe the two portions of the retirement system.
- I added the term “City.”
- The term “employer” is defined as the City, the 62A District Court and the Wyoming Housing Commission.
- As in the Defined Benefit Plan, the last sentence of the definition of the term “benefit group” was revised to clarify that an employee who pays the service fees of a union is considered a member of that union’s benefit group for purposes of the Plan.
- The definition of “compensation” was revised to exclude amounts received for opting-out of City-provided health insurance. This is consistent with how the Plan is actually administered.
- The definition of the term “hour of service” was revised to mirror the definition of that term in the Defined Benefit Plan (as revised).
- The term “severance from employment” replaces the term “termination of employment.” This is necessary to comply with IRS rules.
- The following definitions are not used in the amended and restated Plan and were deleted: investment manager, related employer termination pay and uniformed services.

5. The definition of “eligible retirement plan” in Section 2.21(e) was revised to include a Roth IRA as an eligible retirement plan as of January 1, 2008. This is a required provision under the Pension Protection Act of 2006. (See Section 1 of the Compliance Ordinance.)

² Because the ECO group was transferred to the County at the end of 2010, the document does not include provisions relating to future contributions for this group. References to this group have been included to reflect their former eligibility and to cover former employee members of this group who still have an account balance under the Plan.

6. I revised the definitions of the term “employee” and “leased employee.” The term employee was revised by removing the paragraph regarding leased employees. That paragraph was relocated to the definition of the term leased employee. This reflects IRS model language for these two definitions.

7. Section 3.1 describes those employees who are eligible to participate in the Defined Contribution Plan. Because the ability to transfer to the Defined Contribution Plan from the Defined Benefit Plan has been eliminated for most benefit groups, the provisions related to such transfers that were in this section have been moved to the schedules of the benefit groups that still have that option available.

8. Section 3.4 tracks language in several of the collective bargaining agreements. This provision states that a participant in the Defined Contribution Plan who transfers to another benefit group will continue to participate in the Defined Contribution Plan.

9. Section 4.2 (formerly Section 58-504(b)) was revised by adding a new paragraph that applies to participants receiving workers’ compensation benefits and a “differential payment.” This paragraph states that the City continues to make contributions for those participants as if they were actively working. This language reflects how the Plan has historically been administered.

10. Section 4.4 (formerly Section 58-506) was revised to comply with IRS regulations under Section 415 of the Internal Revenue Code that became effective in 2007 and the Heroes Earnings Assistance and Relief Tax Act of 2008 (the HEART Act), which became effective in 2009. First, former subsection (b), which provided for a suspense account for any excess annual additions has been deleted. Second, the HEART Act requires that any differential wage payments the City makes to an employee who is absent to perform military service be included as compensation for purposes of the Section 415 limits on annual additions. (See also Sections 2 and 3 of the Compliance Ordinance.)

11. The last sentence of Section 5.2(a) incorporates a required provision under the HEART Act. Effective as of January 1, 2007, a participant who dies while performing military service that is protected by USERRA is treated as fully vested in his account. (See also Section 4 of the Compliance Ordinance.)

12. The provisions regarding use of forfeitures and restoration of forfeitures were moved to Section 5.2 (they were previously in what is now Article 6, which describes how participants’ accounts are invested). This puts all of the vesting provisions in one location, which should make administration easier.

13. Section 7.1(a) (formerly Section 58-515) incorporates a new rule under the Pension Protection Act of 2006. This rule requires that participants who request a distribution before attaining the later of normal retirement age or age 62 receive a written description of the right to defer the distribution and the consequences of failing to defer the distribution. This requirement was effective as of July 1, 2007. (See Section 5 of the Compliance Ordinance.)

14. The provision describing the excise tax on distributions from the Plan before age 59½ was removed because it is not a legally required provision and merely restated the applicable tax rules.

15. Section 7.4(d) indicates that a non-spouse beneficiary can elect a direct rollover to an individual retirement account of any death benefit payable to the beneficiary. This is another required provision under the Pension Protection Act of 2006. (See Section 7 of the Compliance Ordinance.)

16. Section 7.6 (formerly Section 58-517(f)) was revised to increase the time for providing the special tax notice required for an eligible rollover distribution from 90 days to 180 days before the distribution. This is also a provision from the Pension Protection Act of 2006. It was effective as of July 1, 2007. (See Section 8 of the Compliance Ordinance.)

17. Section 7.8, which provides a mechanism for dealing with lost participants and beneficiaries, has been updated to provide more flexibility in administration.

18. The provision permitting a participant to make an in-service withdrawal from the Plan after attainment of normal retirement age (formerly Section 58-516) was deleted. That provision had been included in error and did not reflect the terms of any applicable collective bargaining agreement.

19. Section 9 of the Compliance Ordinance reflects the fact that required minimum distributions at age 70½ were suspended for the 2009 calendar year under the Workers Employers and Retirees Assistance Act of 2008. This is unlikely to affect any participants in the Plan.

20. Article 8 contains the provisions relating the trust that holds the Plan's assets. These provisions were previously in Section 58-517. No substantive changes were made to these provisions.

21. I added two new sections in Article 9, which describes the administration of the Plan:

- In addition to authorizing delegation of authority to a third party, such as Nationwide, Section 9.2 authorizes the board of trustees to delegate routine matters with limited discretionary authority to the City and/or employees of the City. This will specifically allow things such as approval of a routine application for a distribution without the involvement of the board of trustees.
- Related to this, Section 9.3 provides that the City will indemnify employees for any claims arising out of their performance of administrative duties related to the Defined Contribution Plan.

Identical provisions were also added to the Defined Benefit Plan.

22. Section 10.3, which is the spendthrift provision, was revised to reflect that under state law a participant's pension benefits can also be forfeited under the State Correctional Facility Reimbursement Act and the Public Employee Retirement Benefits Forfeiture Act. Again, identical provisions were added to the Defined Benefit Plan.

23. Section 12.6 was added to address the situation where a change in the Plan is collectively bargained but the Plan has not yet been amended to reflect that change.

24. Consistent with the currently effective collective bargaining agreements, the schedules were changed to reflect that all benefit groups except those in the administrative and supervisory group and the ECO group are no longer eligible to elect to transfer from the Defined Benefit Plan. The administrative and supervisory group's schedule reflects that transfers will be permitted through the date specified in its collective bargaining agreement. Members of the ECO group were permitted to transfer through the end of 2010.

25. Section 10 of the Compliance Ordinance updates the current schedules to reflect collectively bargained changes since the Defined Contribution Plan was adopted that have effective dates prior to July 1, 2011. This eliminates retroactive effective dates in the new Plan document.

RETIREE MEDICAL COVERAGE DOCUMENTATION

Background

Chapter 59 of the City Code sets forth the manner in which the City will fund its current retiree medical obligations. In 2004 the City established a trust fund to hold money set aside to meet those obligations. Before that time, these benefits were funded through the City's Retirement System, and Chapter 58 of the City Code described the general eligibility rules for retiree medical benefits as well as the amount the City would pay for the coverage.³

Article II was added to Chapter 59 in 2007 to describe the provisions relating to the Post Employment Health Plan ("PEHP") the City established to fund retiree medical benefits for newly-hired employees. It is necessary to revise Article I to reflect changes in the Defined

³ It was necessary to change the funding mechanism for the retiree medical coverage to comply with IRS rules governing qualified retirement plans.

Benefit Plan. It is necessary to revise Article II to make changes requested by Nationwide, which provides the investment funds for the PEHP and administers the PEHP.

The attached “City of Wyoming Retiree Medical Trust and Benefit Policy” document replaces Article I of Chapter 59. It also incorporates provisions in Chapter 58 that relate to the retiree medical benefit. The attached “City of Wyoming Post Employment Health Plan” replaces Article II of Chapter 59.

To assist in your review of these documents, I have also attached copies of the documents that have been marked to show the substantive changes between the current ordinance provisions and the new documents. The schedules for the Retiree Medical Trust and Benefit Policy show the changes from the retiree medical provisions in the schedules to the Defined Benefit Plan.

Retiree Medical Trust and Benefit Policy

The following comments may be helpful as you review this document:

1. The document is generally effective as of July 1, 2011, the start of the current plan year.
2. A number of new definitions were added to Article 2 (formerly Section 59-2) as a result of the addition of the schedules related to eligibility for City contributions for retiree medical insurance. Other defined terms were revised to specifically reference the corresponding definition in the Defined Benefit Plan. This will eliminate the need to amend both documents when a definition changes. It will also reduce the potential for conflict between the documents by making sure that the terms are consistently defined.
3. Article 3 (formerly Section 59-3) describes the trust provisions.
4. Article 4 provides a general description of the coverage to be made available to eligible retirees and their eligible dependents. Article 5 sets forth the eligibility rules for retiree medical coverage. Some of the provisions in these two articles were previously set forth in the Defined Benefit Plan portion of Chapter 58 of the City Code.
5. Section 4.4 describes the amount the City will pay toward medical coverage for an eligible retiree and his/her eligible dependents by referring to the schedules at the end of the document. Each schedule sets forth the amount of the City’s

contribution for that benefit group. (This information was previously part of the Defined Benefit Plan schedules.) The schedules refer back to Articles II and IV of Chapter 58 for historical information, but include dates and amounts in effect before July 1, 2011, where that information was not previously incorporated into the Defined Benefit Plan.

6. The second paragraph of Section 4.4(a) is designed to address what happens if a former dispatcher is re-hired by the City. (It could also apply, for example, if a former member of the nonsupervisory police benefit group is-rehired into the police command group.) This paragraph provides that the amount the City will pay for retiree medical coverage for an individual who has been a member of two benefit groups and his/her eligible dependents is based on the individual's most recent benefit group. This follows the rule for determining the pension multiplier under the Defined Benefit Plan.

7. Section 4.4(c) sets forth the current rule that the City will pay 100% of the cost of retiree medical coverage for a duty disability retiree and his/her eligible dependents until the duty disability pension converts to a normal retirement benefit (upon the retiree's attainment of normal retirement age).

8. Section 5.2 is a new rule designed to recognize the existence of the Defined Contribution Plan. Under this rule, retirees who participated in the Defined Contribution Plan will be eligible for retiree medical coverage on the date they would have been eligible for retiree medical coverage if they were participants in the Defined Benefit Plan.

9. Section 5.3 contains the eligibility rules for a retiree's spouse. The changes in this section generally reflect the existence of the Defined Contribution Plan.

10. Section 5.3(b) clarifies that for a retiree who became a DROP participant after December 31 2010, a spouse is eligible for retiree medical coverage only if the spouse and retiree were married on the retiree's DROP entry date. For those retirees who entered the DROP before that date, the retiree's spouse is eligible for retiree medical coverage if the retiree and spouse were married on the date the retiree left the City.

11. To address the issue of special enrollment rights for newly acquired spouses and dependent children, a sentence was added to Sections 5.3 and 5.4 indicating that newly acquired dependents will be eligible to enroll in the retiree medical coverage to the extent necessary to comply with HIPAA.

12. Sections 5.5 and 5.6 are new. These sections set forth the manner in which the City has historically made retiree medical coverage available to the surviving spouse and dependent children of a deceased employee or former employee. Under these rules, the surviving spouse and dependent children are eligible for retiree medical coverage (and for City contributions to retiree medical coverage for non-PEHP participants) if the employee or former employee had satisfied the service requirement to receive retiree medical coverage before his/her death and before terminating employment with the City.

13. Section 5.8, which addresses retirees who are eligible for other medical coverage, is a provision that is currently in the Defined Benefit Plan.

14. Each schedule states that the City will not pay any portion of the cost of retiree medical coverage for a retiree who participated in the PEHP. Participants in the PEHP are eligible to enroll in the retiree medical coverage, but must pay 100% of the cost of that coverage.

15. Each schedule lists the amount the City will pay for an eligible retiree's medical coverage.

16. The schedules for all of the benefit groups except the administrative and supervisory group and the police ECO group also include language incorporating the rule that employees whose most recent date of hire is on or after the specified date for his or her benefit group, must have 10 years of service to qualify for City contributions for retiree medical coverage, and that as of age 60, the amount the City pays for the retiree medical coverage is equal to 24% of the cost plus another 4% for each year of service above 10 years of service the retiree earned with the City.

For this purpose, service is calculated in the same manner as a year of credited service is calculated under the Defined Benefit Plan. Because the rule is triggered by the retiree's most recent date of hire, a former employee who is rehired after the effective date for this requirement for his benefit group will have to complete ten years of service to be eligible for City contributions for retiree medical coverage.

17. The eligibility rules for City contributions for members of the police ECO group are slightly different than the rules for the other benefit groups, reflecting a difference in the terms of the collective bargaining agreements. For members of the police ECO group, the rule described in the paragraph 16 above is effective for employees who retire on and after July 1, 2004, regardless of their date of hire.

18. Administrative and supervisory group members must complete five years of service to receive the full cost of coverage for the entire period in which they are eligible for retiree medical coverage.

PEHP Document

1. Section 1.3 indicates that a retiree who participates in the PEHP is eligible to enroll in retiree medical coverage through the City, but that the City will not pay any portion of the cost of that coverage.

2. Many of the definitions were replaced with cross references to the identical definition in the Defined Contribution Plan. This is to ensure consistency among the documents and to reduce the number of amendments required if a definition is modified.

3. The definition of the term “separate PEHP documentation” was added to reflect that the separate document prepared by Nationwide governs the terms and conditions under which benefits are paid from the PEHP.

4. Sections 4.1, 4.2 and 4.3 (formerly part of Section 59-23) were revised to address Nationwide’s refusal to administer the PEHP if the City gave employees an irrevocable election to receive City contributions toward the cost of retiree medical coverage or to participate in the PEHP. The following sections are designed to correspond with the following employees who actually elected to participate in the PEHP:

- Section 4.1(b) corresponds to Nancy Bazan;
- Section 4.1(c) corresponds to Ken Westrate;
- Section 4.2(b) corresponds to Jonathon Durrell; and
- Section 4.3(b) corresponds to Joshua Howell and Mark Perkins.

The idea is to describe those employees by classification or other objective criteria so the PEHP describes only those employees who elected to make the transfer.

5. Section 5.1 describes the City’s contributions to the PEHP on behalf of participants. To prevent having to amend the document each time a collective bargaining agreement is changed, Section 5.1 provides the amount to be contributed for each benefit group is the amount stated in the applicable collective bargaining agreement or in the individual’s employment contract.

6. The PEHP now provides for immediate vesting in PEHP contributions. This is primarily because Nationwide’s recordkeeping platform does not support application of a vesting schedule to contributions, and the City’s administrative burden of administering the vesting schedule significantly outweighed the benefit of having the vesting schedule.

7. The elimination of the vesting schedule allowed me to eliminate references to “sub-plan I” and “sub-plan II,” which greatly reduced the complexity of the document.

8. Changes in Article 7 (formerly Section 59-28) were made at the request of Nationwide. These changes still give the City the authority to terminate contributions to the PEHP, but clarify that any contributions previously made to the PEHP will remain in the PEHP, and will be distributed to the participants by Nationwide for qualified expenses until the funds are exhausted.

CITY OF WYOMING
DEFINED BENEFIT PLAN
(Restated effective as of July 1, 2011)

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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, 2011. 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, 2011, 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. Actuarially Equivalent benefits shall be determined based on the following actuarial assumptions:

(a) If a Participant’s benefits are paid in a single lump sum payment during a Plan Year the Actuarial Equivalent of a single life annuity shall be equal to the amount determined by using the applicable mortality table and the applicable interest rate under Section 417(e)(3) of the Code for that Plan Year, as amended by the Pension Protection Act of 2006.

(1) The “applicable mortality table” means the Section 417(e)(3) mortality table prescribed by the Secretary of Treasury for the Plan Year of the distribution.

(2) The “applicable interest rate” means the annual rate of interest determined under Section 417(e)(3) of the Code for the month before the Plan Year in which the distribution is made.

(b) For all other purposes under the Defined Benefit Plan, 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.

2.4 Actuary

“Actuary” means the individual actuary or firm of actuaries selected by the City 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 an actual member of that Union or if the Employee pays the service fees of 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” 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, 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, and pay reduction contributions to a qualified transportation fringe benefit plan under Section 132(f) of the Code.

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, 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 2011 is \$245,000. The dollar limit shall be increased in accordance with Section 401(a)(17)(B) of the Code.

However, under Treas. Reg. § 1.401(a)(17)-1(d)(4), the dollar limit shall not apply to a Participant to the extent that the application of the dollar limit would reduce the amount of Compensation taken into account below the amount that was allowed to be taken into account under the Defined Benefit Plan as in effect on July 1, 1993.

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 Early Retirement Benefit

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

2.23 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.

2.24 Eligible Domestic Relations Order

“Eligible Domestic Relations Order” means an eligible domestic relations order under MCL 38.1701 *et. seq.* 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.

2.25 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.

2.26 Employer

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

2.27 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).

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.

2.28 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.

2.29 Normal Retirement Age

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

2.30 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.

2.31 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.

2.32 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.

2.33 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.

2.34 Plan Year

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

2.35 Qualified Military Service

“Qualified Military Service” means the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority by an individual who is entitled to reemployment rights under USERRA. Qualified Military Service includes:

- (a) Active duty.
- (b) Active and inactive duty training.
- (c) Full-time National Guard duty under a federal statute.
- (d) A period for which a person is absent from a position of employment for the purpose of an examination to determine the fitness of the person to perform any such duty.

(e) A period for which a person is absent to perform funeral honors duty as authorized under 10 U.S.C. 12503 or 32 U.S.C. 115.

(f) Service as an intermittent disaster response appointee upon activation of the National Disaster Medical System or as a Participant in an authorized training program under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002.

2.36 Qualified Plan

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

2.37 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.

2.38 Retirement System

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

2.39 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.

2.40 Severance from Employment

“Severance from Employment” means the individual has ceased to be an Employee of an employer maintaining the Plan. The personnel policies of the employer that most recently employed the Employee shall be used in determining whether a Severance from Employment has occurred.

2.41 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.

2.42 Straight Life Annuity

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

2.43 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.

2.44 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.

2.45 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.

2.46 USERRA

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

2.47 Year of Credited Service

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

Article 3

Participation

3.1 Eligible Employees

Each Employee who normally has at least 1,200 Hours of Service during a Plan Year shall be eligible to participate in the Defined Benefit Plan as provided in the Schedule that applies to Employee's Benefit Group, except that the following shall be ineligible to participate in the Defined Benefit Plan.

- (a) Any individual compensated on a contractual or fee basis.
- (b) Any person who is treated as the common-law employee of a leasing organization, including a Leased Employee.
- (c) Any elected official.
- (d) Any individual who serves on a board or commission, whether appointed or elected.
- (e) Any paid, on-call part-time firefighter.
- (f) Any temporary or seasonal Employee, including, but not limited to, an Employee employed for an emergency.
- (g) Any individual who is a Team 21 Employee who is not a member of a Union and does not pay the service fees of a Union.
- (h) Any Employee who elects to participate in the Defined Contribution Plan.

An eligible Employee shall become a Participant on the date provided in Section 3.2 of this Article. A Participant who is on a leave of absence 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

Each Employee who is eligible under Section 3.1 shall become a Participant on the later of the Employee's Date of Employment or the date the Employee becomes eligible under Section 3.1.

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

Except to the extent otherwise required by applicable law, if a Participant ceases to be eligible under Section 3.1 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 vested status of a Participant's Accrued Benefit and the amount of a Participant's Accrued Benefit under the Defined Benefit Plan 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 shall be credited with Years of Credited Service in accordance with the rules prescribed by the Board of Trustees. Service shall be credited to the nearest one-twelfth of a Calendar Year, up to one Year of Credited Service per Calendar Year. The Board of Trustees may credit a Participant with a full Year of Credited Service for a Calendar Year if the Participant has completed at least ten months of employment during that Calendar Year.

(c) **Reciprocal Service** A Participant's service with a prior employer that has adopted the Reciprocal Retirement Act of 1968, as amended (MCL § 38.1101, et. seq.) shall be counted in determining a Participant's Years of Credited Service.

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 in a job classification that 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, 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.

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 renew 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 he last performed services for Employer.

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, and has applied 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 has attained 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 he last performed services for Employer.

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. 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 Actively Employed Participants

The Spouse of an actively employed 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 8.6; and
- (c) The Participant died while employed by Employer or while on a leave of absence from Employer to perform Qualified Military Service and after

satisfying the service requirement for his Benefit Group as set forth in the applicable Schedule.

8.2 Amount and Form

The monthly pension benefit payable to a Spouse who is entitled to a death benefit 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 percent survivor annuity, named the Spouse 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. The death benefit shall be payable in the form of a joint and 100 percent survivor annuity.

8.3 Commencement

The death benefit shall be payable to a Spouse who is eligible for, and has applied for, a death benefit. Benefits shall be payable following the death of the Participant, and shall be payable no later than the last working day of each month until the death of the Spouse.

8.4 Vested Terminated Participants

A Vested Terminated Participant's Spouse shall be eligible to receive a death benefit if the Participant dies after his Severance from Employment, but before receiving any benefits from the Defined Benefit Plan, provided that the Participant was married to the Spouse at the time of death.

The monthly pension benefit payable to a Spouse who is entitled to a death benefit 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 percent 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.

The death benefit shall be payable to a Spouse who is eligible for, and has applied for, a death benefit. Benefits shall be payable at the time the Vested Terminated Participant would have been eligible for the commencement of a Deferred Vested Benefit under Article 9 (i.e., upon the Participant's attainment of the minimum age requirement to be eligible for a Normal Retirement Benefit), and shall be payable no later than the last working day of each month until the death of the Spouse.

8.5 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 a personal 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 shall be waived.

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

(c) Any additional amount of death benefit paid a Spouse pursuant to Section 8.5(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 terminating upon the earlier of the child's attainment of age 18, marriage, adoption or death. If there is more than one surviving child, the death benefit shall be distributed to the children in equal shares. The death benefit shall be calculated in accordance with Section 8.5(b).

8.6 Elective Beneficiary Designation

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 amount and form of the non-Spouse death benefit shall be determined in accordance with Section 8.2. The Beneficiary shall be designated by the Participant on a form provided by the Board of Trustees. The Beneficiary must be dependent upon the Participant for at least 50 percent of the Beneficiary's financial support. The Participant may change the Beneficiary designation at any time by completing and filing a new form with the Board of Trustees, provided the new Beneficiary is also dependent upon the Participant for at least 50 percent of the Beneficiary's financial support.

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 form of the non-Spouse death benefit may be the joint and 100 percent survivor annuity or the ten-year period certain and life annuity. If the form of payment is the ten-year period certain and life annuity, the Beneficiary shall not be required to be dependent upon the Participant for at least 50 percent of the Beneficiary's financial support.

If an unmarried Participant who has satisfied the service requirement described in Section 8.1(c) dies while employed by Employer or on a leave of absence to perform Qualified Military Service, but 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 the ten-year period certain and life annuity and shall be paid in equal shares to the Participants of the first of the classes listed below having a living member on the date the distribution is payable. 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 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.

8.7 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 death benefit payable to the Beneficiary.

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. 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 an authorized official of 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.

If the Participant or Vested Terminated Participant is younger than age 62 at the time he requests a distribution, the Board of Trustees shall provide the Participant or Vested Terminated Participant with a written description of the right to defer any distribution during the 180-day period before the distribution is made. The description shall include the consequences of failing to defer the receipt of benefit payments.

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 re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse. If the Participant or Vested Terminated Participant's Spouse predeceases the Participant or Vested Terminated Participant, 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 Board of Trustees receives evidence, satisfactory to the Board of Trustees, of the Spouse's death and shall be retroactive to the day following the Spouse's date of death.

(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 re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse. If the Participant or Vested Terminated Participant's Spouse predeceases the Participant or Vested Terminated Participant, 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 Board of Trustees receives evidence, satisfactory to the Board of Trustees, of the Spouse's death and shall be retroactive to the day following the Spouse's date of death.

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, or an alternate payee under an Eligible Domestic Relations Order.

(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) A traditional individual retirement account or annuity;

(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.

(E) A Roth individual retirement account under Section 408A of the Code.

(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.

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).

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 \$195,000, 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 June 30, 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 Defined Benefit Plan, to be appointed by the City Council.

(d) Two Participants in the Defined Benefit Plan, to be elected by the Participants in the Defined Benefit Plan. Election of these members 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. Three trustees shall constitute a quorum at any meeting of the Board of Trustees and at least three 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 Section 14.1(d) shall be staggered. 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.

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 finance director-comptroller-internal auditor 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.

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 Actuary's report.
- (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 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 40 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 individual Participant balances in the reserve for Accumulated Employee Contributions and on the balances in the reserve for Employer contributions and the reserve for retired benefit payments. The amounts so credited shall be charged to the reserve for undistributed investment

income. The Board of Trustees shall determine the rate or rates of interest to be used in the crediting and charging 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 shall have been previously 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 1,200 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 1,200 Hours of Service during a Plan Year. Any Retiree who is rehired and normally has less than 1,200 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.

However, Participants who entered the DROP before September 1, 2008, must cease participation in the DROP and terminate employment no later than five 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 be the beginning of a full pay period;

(c) The Participant's DROP Entry Date shall not be earlier than 90 days after the date the election is filed with the Board of Trustees; and

(d) 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 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 _____ day
of _____, 2011.

CITY OF WYOMING

By _____

Its _____

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

General 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. 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 February 6, 2006, 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 60 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 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 is no annual pension adjustment.						

<u>Section</u>	<u>Provision</u>
6.1	<u>Definition of Early Retirement Age</u> Early retirement age means the Participant has attained age 55 and completed at least 10 Years of Credited Service.
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.
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 ten 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.
13.1	<u>Compulsory Retirement</u> Compulsory retirement shall be at age 70 unless prohibited by law.

Section

Provision

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>
3.1(h)	<p><u>Election to Transfer to 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>A Participant who makes this election shall 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 as provided in Section 2.3.</p> <p>If a Participant does not make a timely election, the Participant shall continue to participate in the Defined Benefit Plan.</p> <p>If a Participant is married on the date the election is made, the election shall be valid only if the Participant's Spouse consents</p>

Section

Provision

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. However, the age requirement for a Participant in this Benefit Group who is employed by the fire department (i.e., the chief appointed before July 1, 2010) shall be reduced to age 55.

5.2(b)

Benefit Formula The benefit formula is a 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	2.35

5.2(c)

Annual Pension Adjustment 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

Definition of Early Retirement Age Early retirement age means the Participant has attained age 55 and completed at least 5 Years of Credited Service.

6.2

Amount of Early Retirement Benefit 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.

<u>Section</u>	<u>Provision</u>
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 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.
13.1	<u>Compulsory Retirement</u> Compulsory retirement is at age 70 unless prohibited by law.
19.3	<u>Eligibility for the DROP</u> 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

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 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

Section

Provision

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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Provision

- (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

Section

Provision

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>

Section

Provision

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.)

Section

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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	<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 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.</p>
3.1	<p><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.</p>
3.1(h)	<p><u>Election to Transfer to Defined Contribution Plan</u> For the time period between May 17, 2010, and December 31, 2010, members of the Police ECO Benefit Group who have less than 10 Years of Credited Service 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 on or before November 1, 2010, and shall be effective no later than December 31, 2010.</p> <p>A Participant who makes this election shall 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 as provided in Section 2.3.</p> <p>If a Participant does not make a timely election, the Participant shall continue to participate in the Defined Benefit Plan.</p>

Section

Provision

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 55 and completed at least 10 Years of Credited Service.

5.2(b) Benefit Formula The benefit formula shall be 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	2.35

5.2(c) Annual Pension Adjustment There shall be no annual pension adjustment.

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

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

7.6 Duty Disability - Special Rules No special rules apply to Participants in the Police ECO Benefit Group who experience a duty disability.

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.

<u>Section</u>	<u>Provision</u>
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.
13.1	<u>Compulsory Retirement</u> Compulsory retirement does not apply to members of the Police ECO Benefit Group
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

- | <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 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 | <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 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.

CITY OF WYOMING
DEFINED CONTRIBUTION PLAN
(Restated effective as of July 1, 2011)

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CITY OF WYOMING
DEFINED CONTRIBUTION PLAN

Article 1

Establishment of the Plan

1.1 History of the Defined Contribution Plan

The City established its Retirement System effective as of October 1, 1962. The Retirement System provided a defined benefit pension for eligible Employees. The City revised its Retirement System by adopting the Defined Contribution Plan effective as of September 6, 2005, for the purpose of providing retirement benefits to eligible Employees. The Defined Contribution Plan and the Defined Benefit Plan together comprise the Retirement System.

1.2 This Document

By this document the City is amending and restating the Defined Contribution Plan effective July 1, 2011. The amended and restated Defined Contribution 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 Contribution 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 Contribution 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.

Article 2

Benefit 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 Contribution Plan unless otherwise stated.

2.1 Account

“Account” means the Account maintained for a Participant to record contributions made for the Participant.

2.2 Basic Provisions

“Basic Provisions” are the provisions of the Defined Contribution Plan which apply to all Participants. The Basic Provisions are the terms and conditions of the Defined Contribution Plan other than the Schedules.

2.3 Beneficiary

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

Except as otherwise provided in the Defined Contribution Plan, the Participant may change the Beneficiary designation at any time by completing and filing a new form with the Plan Administrator. The Plan Administrator 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.

If a Participant designates more than one Beneficiary and a Beneficiary dies before benefit payments are made, the heirs or estate of the deceased Beneficiary shall not receive any benefits from the Defined Contribution Plan. Instead, the share payable to the deceased Beneficiary shall be paid to the Beneficiaries who are still living. Payment shall be made in proportion to the shares otherwise payable to the living Beneficiaries.

If a Participant fails to designate a Beneficiary or if no Beneficiary survives a Participant, distribution shall be made in equal shares to the member of the first of the classes listed below having a living member on the date the distribution is payable. The classes, in order of priority, are as follows:

- (a) The individual’s Spouse;
- (b) The individual’s children or their then-living issue, by right of representation; and
- (c) The legal heirs of the individual under the laws of the individual’s state of residence on the date of the individual’s death.

2.4 Benefit Administrator

“Benefit Administrator” means the entity to which the Plan Administrator has delegated responsibility for the administration of the Plan.

2.5 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 were 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, 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 an actual member of that Union or if the Employee pays the service fees of that Union.

2.6 Board of Trustees

“Board of Trustees” means the governing body of the Retirement System, which is described in Article 14 of the Defined Benefit Plan.

2.7 Break in Service

“Break in Service” means a Plan Year during which a Participant has not completed more than 500 Hours of Service. However, a Participant shall not incur a Break in Service during any Plan Year in which the Participant is on a leave of absence under the Family and Medical Leave Act of 1993, as amended.

2.8 Calendar Year

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

2.9 City

“City” means the City of Wyoming, Michigan.

2.10 Code

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

2.11 Collective Bargaining Agreement

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

2.12 Compensation

“Compensation” means base salary or wages received for regular hours worked, Deemed Section 125 Compensation, and pay reduction contributions to a qualified transportation fringe benefit plan, under Section 132(f) of the Code, or wages while absent from work on account of illness, vacation and holiday time taken.

Except as otherwise provided in an applicable Schedule, Compensation shall not include any remuneration or reimbursement not specifically stated above, including, but not limited to, payments received for overtime, shift premium, disability income plan, pay in lieu of vacation, longevity, sick leave (including workers’ compensation except as provided under Section 4.2), incentive 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 2011 is \$245,000. The Dollar Limit shall be increased in accordance with the provisions of Section 401(a)(17)(B) of the Code.

2.13 Covered Employment

“Covered Employment” means employment by Employer in a job classification that is eligible for participation in the Defined Contribution Plan under Section 3.1.

2.14 Date of Employment

“Date of Employment” means the date on which an Employee performs his first Hour of Service for Employer. However, see Section 3.3 for the Date of Employment of certain reemployed Employees.

2.15 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 makes 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.

2.16 Defined Benefit Plan

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

2.17 Defined Contribution Plan

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

2.18 Direct Rollover

“Direct Rollover” means the payment of an Eligible Rollover Distribution by the Defined Contribution Plan to an Eligible Retirement Plan specified by the Distributee.

2.19 Distributee

“Distributee” means a Participant, the Participant’s Spouse, or an alternate payee under an Eligible Domestic Relations Order.

2.20 Eligible Domestic Relations Order

“Eligible Domestic Relations Order” or “EDRO” means an eligible domestic relations order under MCL 38.1701 *et. seq.* The Plan Administrator shall determine whether a judicial order which requires payment of Defined Contribution Plan benefits to an alternate payee is an Eligible Domestic Relations Order.

2.21 Eligible Retirement Plan

“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 individual retirement account;
- (b) An annuity plan described in Sections 403(a) or 403(b) of the Code;
- (c) A Qualified Plan;
- (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, if a Distributee receives an Eligible Rollover Distribution from the Defined Contribution Plan, an Eligible Section 457 Plan is only an Eligible Retirement Plan if it agrees to separately account for amounts transferred into such plan from this Defined Contribution Plan; and
- (e) A Roth individual retirement account under Section 408A of the Code.

2.22 Eligible Rollover Distribution

“Eligible Rollover Distribution” means an eligible rollover distribution under Section 402(c)(4) of the Code. This includes any distribution from a Participant’s Account, except a distribution after a Participant attains age 70½ that is required under Section 401(a)(9) of the Code.

2.23 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 who is deemed to be a Leased Employee of Employer under Section 414(n) or (o) of the Code.

2.24 Employer

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

2.25 Employer Contribution

“Employer Contribution” means an Employer contribution under Section 4.2 on behalf of a Participant.

2.26 Forfeiture

“Forfeiture” means the forfeiture of the nonvested portion of the Account of a Participant under the terms of the Defined Contribution Plan.

2.27 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% 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).

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.

2.28 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 or 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 Section 415 Compensation;

(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.

2.29 Participant

"Participant" means an Employee or former Employee who has met the requirements for participation under Section 3.1 and whose Account has not been distributed or forfeited.

2.30 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.

2.31 Plan Administrator

"Plan Administrator" means the named fiduciary responsible for the operation and administration of the Defined Contribution Plan. The Board of Trustees shall be the Plan Administrator.

2.32 Plan Year

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

2.33 Qualified Military Service

“Qualified Military Service” means the performance of duty on a voluntary or involuntary basis in a Uniformed Service under competent authority by an individual who is entitled to reemployment rights under USERRA. Qualified Military Service includes:

- (a) Active duty.
- (b) Active and inactive duty for training.
- (c) Full-time National Guard duty under a federal statute.
- (d) A period for which a person is absent from a position of employment for the purpose of an examination to determine the fitness of the person to perform any such duty.
- (e) A period for which a person is absent from employment to perform funeral honors duty as authorized under 10 U.S.C. 12503 or 32 U.S.C. 115.
- (f) Service as an intermittent disaster response appointee upon activation of the National Disaster Medical System or as a Participant in an authorized training program under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002.

2.34 Qualified Plan

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

2.35 Retirement System

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

2.36 Schedules

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

2.37 Section 415 Compensation

“Section 415 Compensation” means compensation as defined in Section 4.4(b)(2).

2.38 Severance from Employment

“Severance From Employment” means the individual has ceased to be an Employee of an employer maintaining the Plan. The personnel policies of the employer that

most recently employed the Employee shall be used in determining whether a Severance from Employment has occurred.

2.39 Spouse

“Spouse” means the person to whom a Participant is legally married at the time of his death. A former spouse shall be treated as a Spouse for purposes of the Defined Contribution Plan to the extent provided under an Eligible Domestic Relations Order.

2.40 Total Disability

“Total Disability” means a total and permanent inability of the Participant to perform the duties of his employment, as a result of a physical or mental condition of the Participant. The existence of a Total Disability shall be established by the certification of a physician or physicians selected by the Board of Trustees, unless the Board of Trustees determines that an examination is unnecessary.

2.41 Trust Fund

“Trust Fund” means the assets held by the Board of Trustees under Article 8.

2.42 Unions

“Unions” mean the Unions whose members are eligible to participate in the Defined Contribution 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) Wyoming Fire Fighters Association.

2.43 USERRA

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

Article 3

Participation

3.1 Eligible Employees

Each Employee who is normally scheduled to work at least 1,000 Hours of Service during a Plan Year shall be eligible to participate in the Defined Contribution Plan as provided in the Schedule that applies to the Employee's Benefit Group, except that the following shall be ineligible to participate in the Defined Contribution Plan:

- (a) Any Employee who is currently earning a benefit under the Defined Benefit Plan.
- (b) Any individual compensated on a contractual or fee basis.
- (c) Any elected official.
- (d) Any individual who serves on a board or commission, whether appointed or elected.
- (e) Any person who is treated as the common-law employee of a leasing organization, including a Leased Employee.
- (f) Any paid, on-call part-time fire fighter.
- (g) Any temporary or seasonal Employee, including but not limited to an Employee employed for an emergency.
- (h) Any individual who is a Team 21 Employee who is not a member of a Union and does not pay the service fees of a Union.

An Employee who is eligible under this Section shall be considered to work in Covered Employment and shall become a Participant on the applicable date provided in Section 3.2.

3.2 Date of Participation

Each Employee who works in Covered Employment shall become a Participant on the date the Employee begins to work in Covered Employment.

3.3 Participation After Reemployment

If an Employee has a Severance from Employment after becoming a Participant and is subsequently reemployed by Employer, he shall again be a Participant immediately upon being rehired by Employer in Covered Employment.

3.4 Transfer Between Benefit Groups

A Participant who transfers from one Benefit Group to another Benefit Group shall continue to participate in the Defined Contribution Plan.

3.5 Transfer to Ineligible Job Classification

A Participant who is transferred to a job classification which is not Covered Employment shall be ineligible to have additional contributions made to the Defined Contribution Plan on his behalf, except that the Participant shall receive an Employer Contribution for the time period during which the Participant worked in Covered Employment. The Employee shall continue as a Participant until his Account is distributed or forfeited under the terms of the Defined Contribution Plan.

Article 4

Employer Contributions

4.1 Eligibility to Receive a Contribution

Employer shall contribute an amount determined under Section 4.2 on behalf of each Participant who is employed in Covered Employment.

4.2 Amount of Contribution

Employer shall contribute an amount equal to a percentage of each Participant's Compensation for each payroll period. The applicable percentage is described in the Schedule that applies to the Participant's Benefit Group.

A Participant who is receiving both workers' compensation benefits and the difference between the Participant's net salary or wages, shall receive an Employer Contribution under this Section as if the Participant were actively working and receiving Compensation.

Employer Contributions shall be credited to Participants' Accounts.

4.3 Time for Payment of Contributions

Employer shall pay its Employer Contribution for a payroll period to the Trust as soon as administratively feasible following the payroll period.

4.4 Limits on Annual Additions

(a) **General Rule** The amount of Annual Additions which may be allocated to a Participant's Account for a Limitation Year shall not exceed the lesser of:

(1) \$49,000, as adjusted under Section 415(d) of the Code for cost-of-living increases; or

(2) 100% of the Participant's Section 415 Compensation during the Limitation Year.

This limit on Annual Additions is called the "Section 415" Limit.

(b) **Definitions** For purposes of this Section, the following terms shall have the meanings described in this subsection:

(1) **"Annual Additions"** means the sum of the following amounts credited to a Participant's Account:

(A) Employer Contributions;

(B) Employee contributions;

(C) Forfeitures;

(D) Amounts allocated to an individual medical account under Section 415(l)(2) of the Code, which is part of a pension or annuity plan; and

(E) Amounts attributable to post-retirement medical benefits allocated to the separate account of a key employee, as defined in Section 419A(d)(3) of the Code, under a welfare benefit fund described in Section 419(e) of the Code.

(2) **"Section 415 Compensation"** means the sum of the following:

(A) A Participant's wages and other payments which are reported on IRS Form W-2.

(B) A Participant's pay reduction contributions to a cafeteria plan under Section 125 of the Code (including Deemed Section 125 Compensation).

(C) A Participant's pay reduction contributions to a qualified transportation fringe benefit plan under Section 132(f) of the Code.

(D) A Participant's pay reduction contributions to a deferred compensation plan under Section 457 of the Code.

(E) Amounts paid to a Participant within 2½ months after the Participant has a Severance from Employment (or the end of the Limitation Year in which the Participant's Severance from Employment occurs, if later) if:

(i) The amounts are paid for services the Participant provided to Employer before his Severance from Employment, including regular compensation, bonuses, longevity pay, sick leave, incentive pay and commissions; or

(ii) The amounts are payments for accrued sick, vacation or other leave, if the Participant would have been able to use the leave if employment continued.

(F) Amounts paid to a Participant that constitute “differential wage payments,” as defined in Section 3401(b) of the Code, paid to a Participant who is performing Qualified Military Service while on active duty for a period of more than 30 days.

A Participant’s Section 415 Compensation during a Limitation Year shall not exceed the dollar limit described in Section 2.12.

(3) “**Excess Amount**” means the excess of the Participant’s Annual Additions for the Limitation Year over the amount permitted under this Section.

(4) “**Limitation Year**” means the 12-consecutive-month period beginning on July 1 and ending on the following June 30.

(c) **Incorporation by Reference** To the extent not otherwise described in this Section, the provisions of Section 415 of the Code and any regulations issued with regard to Section 415 of the Code are incorporated in the Defined Contribution Plan by reference.

Article 5

Participants’ Accounts

5.1 Establishment of Accounts

The Plan Administrator shall establish and maintain an Account for each Participant. The Participants’ separate Accounts may be commingled for investment purposes to the extent described in Section 5.3.

5.2 Vested Portion of Accounts

(a) **Vested Percentage** Amounts credited to a Participant’s Account shall be fully vested and nonforfeitable if the Participant is employed by Employer as of the date of his Total Disability or death. If a Participant has a Severance from Employment for a reason other than Total Disability or death, the vested percentage of a Participant in his Account shall be based upon his Years of Vested Service and the following vesting schedule:

Years of Vested Service

Vested Percentage

Less than 1
1 or more

0%
100%

A Participant who dies while performing Qualified Military Service shall be 100% vested in his Account. In addition, a Participant whose Date of Employment is before July 1, 2011 shall also be 100% vested in his Account upon attainment of “Normal Retirement Age.” For this purpose, “Normal Retirement Age” has the same meaning as set forth in the Defined Benefit Plan, and the definition of the term “normal retirement age” in Article 2 of the Defined Benefit Plan is specifically incorporated into the Plan by reference.

(b) **Years of Vested Service** An Employee shall be credited with a Year of Vested Service if the Employee has at least 1,000 Hours of Service during the 12-consecutive-month period beginning on the Employee’s Date of Employment or any anniversary of his Date of Employment.

(c) **Use of Forfeitures** After a Participant has a Severance from Employment, the Plan Administrator shall determine the Participant’s vested benefits in his Account under subsection (a) above. The nonvested portion of his Account shall be forfeited on the date of his Severance from Employment.

Subject to subsection (d) below, Forfeitures shall be used to pay administrative expenses of the Defined Contribution Plan or reduce the Employer Contribution otherwise required to be made under Section 4.2.

(d) **Restoration of Forfeitures Upon Reemployment**

(1) **Conditions for Restoration** If a Participant has a Severance from Employment, forfeits the nonvested amount credited to his Account and is reemployed by Employer before incurring five consecutive one-year Breaks in Service, the amount forfeited shall be restored to the Participant’s Account as soon as administratively feasible after the Participant is reemployed by Employer.

(2) **Source of Restoration** The restoration shall be provided out of the following sources, to the extent necessary and in the following order:

(A) From forfeitures occurring during the Plan Year, before use under subsection (c) above; and

(B) From an employer contribution made solely for the reemployed Participant.

(e) **Vested Service After Reemployment** If a Participant has a Severance from Employment and is subsequently reemployed by Employer, his prior

Years of Vested Service shall be counted after his reemployment only in the following situations:

- (1) If the Participant was vested in any portion of his Account before the Break in Service; or
- (2) If the Participant has less than five consecutive one-year Breaks in Service.

These prior Years of Vested Service shall be taken into account after the Participant has completed one Year of Vested Service after being reemployed. However, if an amount is forfeited under subsection (c) above and not restored under subsection (d), the amount of the forfeiture shall not change even if the Participant subsequently earns additional Years of Vested Service.

(f) **Accounting After Reemployment** A reemployed Participant shall have two subaccounts for his Account if the Participant:

- (1) Left the vested portion of his Account in the Plan after having a Severance from Employment; and
- (2) Incurred five consecutive one-year Breaks in Service before becoming reemployed by Employer and there was a Forfeiture of the nonvested portion of his Account.

One subaccount shall be the Participant's pre-termination Account balance, which shall be 100% vested. The other subaccount shall include post-reemployment additions to the Participant's Account.

Years of Vested Service earned by the Participant after reemployment, plus any Years of Vested Service earned before reemployment and retained under subsection (e) above, shall be used to determine the vested portion of the Participant's post-reemployment subaccount. When the Participant's post-reemployment subaccount becomes 100% vested, the two subaccounts shall be merged.

Each other reemployed Participant shall have one Account. The Account shall contain any repayment and restoration of pre-termination amounts, as required by subsection (b) above, plus all post-reemployment additions. Years of Vested Service earned by the Participant after reemployment, plus any Years of Vested Service earned before reemployment and retained under subsection (b), shall be used to determine the vested portion of the Participant's Account.

(g) **Amendments to Vesting Schedule** No amendment to the Defined Contribution Plan shall have the effect of decreasing a Participant's vested benefits determined as of the later of the date the amendment is adopted or the date it becomes effective.

If the Defined Contribution Plan's vesting schedule is amended or the Defined Contribution Plan is amended in any way that directly or indirectly affects the computation of the Participant's nonforfeitable percentage, each Participant with at least three Years of Vested Service may elect, within a reasonable period after the adoption of the amendment or change, to have the nonforfeitable percentage computed under the Defined Contribution Plan without regard to the amendment or change.

The period during which the election may be made shall commence with the date the amendment is adopted or deemed to be made and shall end on the latest of:

- (1) 60 days after the amendment is adopted;
- (2) 60 days after the amendment becomes effective; or
- (3) 60 days after the Participant receives notice of the amendment.

5.3 Investment of Accounts

The Plan Administrator shall select the investment funds in which the assets of the Defined Contribution Plan may be invested. A Participant may direct that his Account be invested in any combination of the investment funds made available by the Plan Administrator. If a Participant fails to make an investment election, his Account shall be invested in an investment fund selected by the Plan Administrator.

Any investment direction made by a Participant shall continue in effect until changed by the Participant. The Plan Administrator shall periodically establish procedures for a Participant to change his investment elections. The change in investment direction may apply to future contributions, amounts already invested or both.

The Plan Administrator may periodically change the investment funds made available to Participants. If an investment fund is eliminated and replaced by a different fund with similar investment characteristics, the Plan Administrator may direct the transfer of funds from the eliminated fund to its replacement.

The terms and conditions of making and changing investment elections shall also be subject to any requirements imposed by the financial institution or other entity which establishes the investment funds.

Article 6

Adjustments to Accounts

6.1 Value of Accounts

The investment funds under Section 5.3 shall be valued on each day the national securities exchanges are open for trading. The total value of a Participant's Account shall be the sum of the Participant's interest in each of the investment funds under Section 5.3.

6.2 Subtractions From Accounts

Any distributions to a Participant shall be subtracted from the Participant's Account. Also, any administrative fees may be subtracted from the Participant's Account.

6.3 Additions to Accounts

Amounts contributed on behalf of a Participant shall be credited to the Account of the Participant as soon as administratively feasible.

6.4 Adjustment for Errors

The Plan Administrator may correct any error by making adjustments to Participants Accounts in a manner the Plan Administrator believes shall best result in the equitable and nondiscriminatory administration of the Defined Contribution Plan and Trust Fund. Employer may make an additional or alternative contribution where appropriate to correct an error. Any contribution made under this Section shall be allocated and shall vest in a manner which corrects the error.

Article 7

Distribution of Benefits

7.1 Time of Distribution

The date on which a Participant shall receive a distribution of benefits shall be determined according to the following rules:

(a) **General Rule** A Participant may request payment of benefits at any time after his Total Disability or Severance from Employment. The Participant's Beneficiary may request payment of benefits at any time after the Participant's death. Payment shall be made as soon as administratively feasible after the distribution is requested.

If the Participant is younger than age 62 at the time he requests a distribution, the Plan Administrator shall provide the Participant with a written description of the right to defer any distribution during the 180-day period before the distribution is made. The description shall include the consequences of failing to defer receipt of benefit payments.

(b) **Sixty-Day Rule** Unless the Participant elects otherwise, benefits must be paid within 60 days after the close of the Plan Year in which the latest of the following occurs:

- (1) The Participant attains age 65;
- (2) The Participant's Severance from Employment; or

(3) The tenth anniversary of the date the Participant began participation in the Defined Contribution Plan.

No distribution is required under this subsection if a Participant who is eligible for a distribution fails to request a distribution. The Participant shall be considered to have elected a deferred distribution.

(c) **Age 70½ Distribution Rule** Notwithstanding any contrary election by the Participant, the distribution of benefits to a Participant shall be made no later than the Participant's required beginning date under Section 401(a)(9) of the Code. See Section 7.7 for more information.

7.2 Amount of Distribution

The amount distributed to a Participant shall be determined by multiplying:

(a) His vested percentage in his Account as of the date of his Severance from Employment; by

(b) The amount received as a result of selling the Participant's interest in the investment funds.

The amount distributed shall also include any vested contributions made on behalf of the Participant subsequent to the sale of the Participant's interest in the investment funds.

The nonvested portion of a Participant's Account shall be forfeited as described in Section 5.2.

7.3 Method of Distribution

The vested amount in a Participant's Account shall be distributed in a single lump sum payment.

7.4 Distributions After the Participant's Death

If a Participant dies before the vested amount credited to his Account is distributed, the following rules apply:

(a) **Payment to Beneficiary** The vested amount credited to the Participant's Account shall be paid to the Participant's Beneficiary.

(b) **Time of Payment** The Beneficiary may request payment of a Participant's vested benefits at any time after the Participant's death. Payment shall be made as soon as administratively feasible after the distribution is requested.

(c) **Form of Payment** The Beneficiary shall receive a single lump sum payment.

(d) **Rollover by Nonspouse 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 death benefit payable to the Beneficiary.

7.5 Distributions Pursuant to an Eligible Domestic Relations Order

Benefits payable to an alternate payee under an Eligible Domestic Relations Order shall be paid in accordance with the terms of the order. However, the order may not require a distribution or any action which is impermissible under the terms of the Defined Contribution Plan and applicable law.

The order must be entered by the court and recognized by the Plan Administrator as an Eligible Domestic Relations Order before the Plan Administrator may implement the order. As soon as administratively feasible after the order is entered by the court and recognized by the Plan Administrator as an Eligible Domestic Relations Order, the Plan Administrator shall distribute the amount assigned to the alternate payee in a lump sum payment.

The alternate payee's benefits shall be distributed only from the Participant's vested benefits in his Account. The amount distributed to the alternate payee shall not exceed the Participant's vested benefits in his Account.

7.6 Eligible Rollover Distributions

If a Distributee receives an Eligible Rollover Distribution from the Defined Contribution 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 Plan Administrator shall provide the Distributee with an 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 notice, provided the Distributee is given at least 30 days after receipt of the notice to consider whether or not to receive a Direct Rollover.

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

(2) The Distributee shall supply the Plan Administrator with any information the Plan Administrator 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.

7.7 **Minimum Required Distributions**

(a) **In General** This Section contains the minimum distribution requirements of Section 401(a)(9) of the Code, including the incidental death benefit rules in Section 401(a)(9)(G) of the Code. Distributions from the Defined Contribution Plan shall satisfy the requirements of Section 401(a)(9) of the Code and Treas. Reg. §1.401(a)(9)-1 through §1.401(a)(9)-9. These provisions shall override any other conflicting provision of the Defined Contribution Plan.

(b) **Definition of Required Beginning Date** Except as otherwise provided, a Participant's Required Beginning Date is the April 1 of the Calendar Year following the later of:

(1) The Calendar Year in which the Participant attains age 70½; or

(2) The Calendar Year in which the Participant's Severance from Employment occurs.

(c) **Distributions During a Participant's Lifetime** The following rules apply to distributions during a Participant's lifetime:

(1) **When Distributions Must be Made** The distribution of benefits during a Participant's lifetime shall be made no later than the Participant's Required Beginning Date.

(2) **Amount of Distributions** The Participant shall receive a lump sum payment of the vested amount credited to the Participant's Account.

(d) **Death of the Participant** If a Participant dies, the vested amount credited to a Participant's Account shall be distributed to the Participant's Beneficiary by the end of the Calendar Year that contains the fifth anniversary of the Participant's death.

7.8 Lost Participants and Uncashed Benefit Checks

(a) **Forfeiture of Accounts** If the vested portion of a Participant's Account is payable under this Article, the Plan Administrator may treat the Participant's Account as a Forfeiture under Section 5.2(c) in the following situations:

(1) The Plan Administrator cannot locate the Participant. The Plan Administrator shall take the following steps before concluding that the Participant cannot be located:

(A) The Plan Administrator sends the Participant's benefit check to the Participant's last known address and the check is returned as undeliverable; and

(B) The Plan Administrator uses a commercial locator service, the Internal Revenue Service Letter Forwarding Program or the Social Security Administration Employer Reporting Service and fails to receive a response from the Participant within 90 days.

(2) The check remains outstanding for more than 90 days (or such other longer period as is periodically established by the Plan Administrator).

(b) **Restoration of Account** If the Participant's Account is forfeited under this Section and the Participant or Beneficiary subsequently applies for benefits under the Defined Contribution Plan, the vested amount credited to the Participant's Account as of the date of the Forfeiture shall be restored to the Participant's Account using one of the methods described in Section 5.2(d). The Participant or Beneficiary shall then be entitled to receive a distribution of the Participant's vested benefits under the Defined Contribution Plan.

Article 8

Trust Fund and Trustee

8.1 Trust Fund

The City established the Trust Fund for the purpose of holding Employer contributions to the Defined Contribution Plan. The Trust Fund shall consist of contributions made to the Board of Trustees under the Defined Contribution Plan and earnings, gains or losses, resulting from investment of the Trust Fund. The Trust Fund is intended to meet the requirements of Sections 401(a) and 501(a) of the Code.

8.2 Acceptance of Trust by the Board of Trustees

By execution of an acceptance of trust, the secretary of the Board of Trustees shall accept the trust created under this Article on behalf of the Board of Trustees. The Board of Trustees shall agree to be responsible for the management and administration of the Trust Fund in accordance with the terms of the Defined Contribution Plan.

8.3 Trust Fund

Title to the assets of the Trust Fund shall at all times be vested exclusively in the Board of Trustees. The Board of Trustees is to have exclusive authority and discretion to hold, manage and control the assets of the Trust Fund, including utilizing the services of a custodian to hold or invest the assets of the Trust Fund.

8.4 Contributions to the Trust Fund

The Board of Trustees shall be entitled to receive from Employer only the sums of money and other property which Employer pays or delivers to the Board of Trustees. The Board of Trustees shall not have the right and shall not be subject to any duty to demand from Employer any other sums of money or other property, nor to require any contributions to be made nor to determine that the contributions received comply with the Defined Contribution Plan. The contributions shall be made in cash or other property acceptable to the Board of Trustees. All contributions to the Trust Fund shall be deemed to take place in the state of Michigan.

8.5 Nonreversion of Trust Fund Assets

Employer shall have no direct or indirect interest in the Trust Fund except as follows:

(a) The Trust Fund may be used to defray the reasonable expenses of administering the Defined Contribution Plan and Trust Fund.

(b) If a contribution is made by Employer under a mistake of fact, the portion of the contribution which results from the mistake of fact may be returned to Employer within one year after the date of payment. The refunded amount shall not include any investment earnings related to the contributions made under a mistake of fact, but the amount refunded shall be reduced by any investment losses.

8.6 Reasonable Administrative Expenses

The Board of Trustees may make distributions from the Trust Fund for the payment of reasonable Defined Contribution Plan administrative expenses, including charges made by a third party administrator or recordkeeper and fees and expenses for all agency and legal services rendered to the Board of Trustees.

8.7 Investment Powers Trustee

The Board of Trustees shall direct the investment of the entire trust fund, except:

(a) Account investments directed by Participants, as provided in Section 5.3; and

(b) Any portion of the Trust Fund assigned to an investment manager, as provided in Section 8.10.

The investments of the Trust Fund shall be diversified to minimize the risk of large losses unless, under the circumstances, it is clearly prudent not to diversify investments. The Board of Trustees shall periodically determine the short-term and long-term financial requirements of the Trust Fund for use as a guide in making investment decisions.

8.8 Types of Investments

The Trust Fund shall be invested without distinction between principal and income. The Trust Fund may be invested in real estate, leaseholds, or other interests in real estate; in any and all common stocks, preferred stocks, bonds, notes, mortgages, debentures, equipment trust certificates, investment trust certificates, common trust fund units, or other securities; in interest earning deposits with financial institutions; in registered investment companies (mutual funds); or in any other property, tangible or intangible, either within or without the state of Michigan, as the Board of Trustees may deem advisable, as permitted under federal and state law when the investment is made, including the Public Employee Retirement Investment Act (MCL 33.1121, et. seq.).

The Board of Trustees may retain in cash balances and unproductive of income such portion of the Trust Fund as the circumstances reasonably require. The Board of Trustees shall not be required to pay interest on cash balances in its possession pending investment or distribution to a Participant pursuant to the Defined Contribution Plan.

8.9 Commingled Investment

The Trust Fund may be commingled for investment purposes with one or more other Qualified Plans maintained by the City. However, the assets of the Trust Fund shall only be available to pay benefits under the terms of the Defined Contribution Plan and shall not be used to pay benefits under any other Qualified Plan. The Board of Trustees shall maintain appropriate records relating to the amount of assets allocable to the Defined Contribution Plan and any other Qualified Plan that is commingled with the Defined Contribution Plan for investment purposes.

8.10 Investment Managers

The Board of Trustees may periodically select one or more investment managers to hold and invest a part, or all, of the Trust Fund.

(a) **Selection of Investment Managers** An investment manager shall be either:

(1) An investment adviser registered under the federal Investment Advisers Act of 1940;

(2) A bank, as defined in the Investment Advisers Act of 1940;
or

(3) An insurance company qualified to perform investment services under the laws of more than one state.

The appointment of an investment manager shall be made and accepted in writing. The acceptance shall include an acknowledgment by the investment manager that it is a fiduciary with respect to the Defined Contribution Plan and shall be accompanied by evidence of its registration under the Investment Advisers Act, if applicable. These documents shall be delivered to Board of Trustees, and Board of Trustees shall be fully protected in relying upon them.

(b) **Investments by Investment Managers** Each investment manager shall have sole responsibility for the investment of the assets held in the portion of the Trust Fund assigned to that investment manager. The investment manager shall use the short-term and long-term financial requirements of the Trust Fund determined by the Board of Trustees as a guide in making investment decisions. An investment manager shall not be liable for the investment results realized by any portion of the Trust Fund not assigned to it or for the decisions or investment policies of any other investment manager.

(c) **Standard of Care** The standard of care stated in Section 9.4 shall apply to any investment manager.

(d) **Trustee's Records** The accounts, books and records of the Board of Trustees shall reflect the segregation of any portion or portions of the Trust Fund assigned to investment managers.

(e) **Removal or Resignation** Unless the investment manager and the Board of Trustees otherwise agree in writing, an investment manager may resign or be removed by the Board of Trustees at any time. In the event that an investment manager resigns or is removed by the Board of Trustees, the Board of Trustees shall manage the investment of that part of the Trust Fund assigned to that investment manager until notified of the appointment of another investment manager with respect to that part of the Trust Fund.

8.11 Payment of Taxes

Any taxes assessed against the Trust Fund which the Board of Trustees is required to pay shall be charged to the Trust Fund. The Board of Trustees shall advise the City of any taxes, other than real and personal property and transfer taxes, immediately upon notice of their assessment and shall make no payment of taxes until authorized by the City. If the City advises the Board of Trustees in writing that any taxes are not lawfully assessed in the opinion of legal counsel for the City, the Board of Trustees shall, if requested, contest or join with the City in contesting the validity or amount of the taxes in any manner deemed appropriate by the City or its counsel. "Taxes," as used in this Section, includes any interest or penalties levied or imposed in respect to any taxes. Any expense incurred by the City or the Board of Trustees in contesting the validity or amount of any taxes shall be charged to the Trust Fund to the extent not paid by the City.

8.12 Powers and Rights of Board of Trustees with Respect to Management of the Trust Fund

Subject to the specific provisions of this Section, the Board of Trustees has the following powers which may be used in performing its duties in managing the assets of the Trust Fund:

(a) To sell, exchange, convey, transfer or dispose of, and also grant options with respect to, any property, whether real or personal, at any time held by it; and it may make any sale by private contract or by public auction, for cash or on credit, or partly for cash and partly on credit, as the Board of Trustees may deem best; and no person dealing with the Board of Trustees shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of the sale or other disposition;

(b) To acquire, hold and dispose of any real estate, at the time, in the manner and upon the terms the Board of Trustees may deem advisable; to retain, manage, operate, repair, improve, partition, mortgage or lease the real estate for any term or terms of years; or to exchange all or any part of the real estate for other real estate, upon the terms and conditions the Board of Trustees deems proper, using other Trust Fund assets for these purposes if deemed advisable;

(c) To compromise, compound and settle any debt or obligation to or from it as trustee; and to reduce the rate of interest on, to extend or otherwise modify, or to foreclose upon default or otherwise enforce or act with respect to the obligation;

(d) To vote, in person or by general or limited proxy, any stocks or other securities at any time held in the Trust Fund, at any meetings of stockholders or security holders, with respect to any business which may come before the meeting; to exercise any option appurtenant to any stocks, bonds, or other securities for the conversion of them into other stocks, bonds or securities; to exercise or sell any conversion or subscription rights appurtenant to any stocks, bonds, or other securities at any time held in the trust fund, and to make any and all necessary payments for them; to join in and to approve, or to dissent from and to oppose any corporate act or proceeding, including any reorganization, recapitalization, consolidation, merger, dissolution, liquidation, sale of assets or other action or plan with respect to corporations or properties, the stocks or securities of which may at any time be held in the Trust Fund; to deposit with any committee or depository, pursuant to any plan or agreement of protection, reorganization, consolidation, sale, merger, or other readjustment, any property held in the Trust Fund; and to make payment from the Trust Fund of any charges or assessments imposed by the terms of the Defined Contribution Plan;

(e) With the approval of the City, to borrow or raise moneys for the purpose of the Trust Fund, in the amount and upon the terms and conditions that the Board of Trustees, in its absolute discretion, may deem advisable; and for any sum so borrowed, to issue its promissory note as trustee, and to secure its repayment by pledging all or any part of the Trust Fund; and no person loaning money to the Board of Trustees

shall be bound to see to the application of the money lent, or to inquire into the validity, expediency, or propriety of any such borrowings;

(f) To cause any investments from time to time held by it under the trust to be registered in, or transferred into, its name as trustee or the name of its nominee or nominees, and with or without designation of fiduciary capacity; or to retain any investments unregistered or in a form permitting transfer by delivery, but the books and records of the Board of Trustees shall at all times show that all such investments are part of the Trust Fund;

(g) To enforce any right, obligation or claim in its discretion and in general to protect in any way the interests of the trust fund, either before or after default. If the Board of Trustees, in its discretion, considers it for the best interests of the Trust Fund, to abstain from the enforcement of any right, obligation or claim;

(h) To make, execute, acknowledge and deliver any and all assignments, documents of transfer and conveyance and any and all other instruments necessary or appropriate to carry out any powers granted in this Section;

(i) To do all acts which the Board of Trustees may deem necessary or proper and to exercise any and all of the powers of the Board of Trustees under this Section upon the terms and conditions the Board of Trustees may deem for the best interests of the Trust Fund and the Defined Contribution Plan; and

(j) To invest the trust fund in any investment permitted by law, subject to the terms of the Defined Contribution Plan and the Public Employee Retirement Investment Act (MCL 33.1121 et. seq.).

8.13 Records of Board of Trustees

The Board of Trustees shall keep accurate and detailed accounts of all investments, receipts and disbursements and other transactions under the Trust Fund. All accounts, books and records relating to the Trust Fund shall be open at all reasonable times to inspection and audit by any person or persons designated by the City. Upon request, the Board of Trustees shall furnish the City with the information it reasonably requests regarding the administration and investments of the Trust Fund.

8.14 Annual Accounting by Board of Trustees

Within 90 days after the close of each Plan Year or the removal or resignation of the Board of Trustees as trustee of the Trust Fund, the Board of Trustees shall file with the City a written accounting setting forth all investments, receipts and disbursements, and other transactions completed by it during the year or other period since the last written accounting. The accounting shall include a description of all securities and other investments purchased or sold, with the cost of purchases and net proceeds of sales indicated. The written accounting shall also include a description, including value, of all cash, securities and other property held at the date of the accounting.

8.15 Release of Board of Trustees

The Board of Trustees shall be released from any liability or accountability to anyone in connection with the accounting or resulting from any of the acts or transactions shown in the accounting, unless:

- (a) The City files written objections with the Board of Trustees within six months of the accounting claiming breach of fiduciary duty, negligence, willful misconduct or lack of good faith by the Board of Trustees; or
- (b) The Board of Trustees has committed fraud or obvious error.

8.16 Settlement of Board of Trustees' Accountings

The accountings of the Board of Trustees need only be rendered to and settled with the City. Upon settlement, the accounting shall be binding upon the City, the Participants and their Beneficiaries. No accountings other than those provided for in this Section shall be required of the Board of Trustees, and no other person or party shall be entitled to any accounting by the Board of Trustees. The Board of Trustees may also have any of its accountings settled by a court having jurisdiction. The Board of Trustees shall be liable to account only in the courts of the state of Michigan.

8.17 Legal Proceedings for Settlement of Accountings or Administration of Trust Fund

In any proceedings for settlement of the accountings of the Board of Trustees or concerning administration of the Trust Fund, Employer and the Board of Trustees shall be the only necessary parties. Service of any notice or process upon Employer shall be deemed, for all purposes, service upon the Participants and their Beneficiaries. Any final judgment in any action or proceeding for settlement of the accountings or concerning the administration of the Trust Fund shall be binding and conclusive on the Board of Trustees, Employer and the Participants and their Beneficiaries.

8.18 Compensation of Board of Trustees

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 this Article, 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 or her duties under this Article. Any compensation or reimbursement of expenses provided to a member of the Board of Trustees shall be paid from the Trust Fund, unless paid directly by Employer.

8.19 Removal or Resignation of Board of Trustees

The City may remove the Board of Trustees as trustee for the trust fund at any time by giving written notice to the Board of Trustees. The Board of Trustees may resign at any

time by giving written notice to the City. The Board of Trustees' removal or resignation shall be effective upon the appointment of a successor trustee.

8.20 Successor Trustee

Upon the removal or resignation of the Board of Trustees, the City shall appoint a successor trustee within 60 days. The appointment shall become effective upon delivery of a written acceptance of the Trust Fund to the City and the Board of Trustees. Upon giving written acceptance of Trust Fund, the successor trustee shall have all the rights and duties given to the Board of Trustees by this Article and shall be bound by the provisions of this Article. In the interim before a successor trustee files a written acceptance of trust, the Board of Trustees shall continue to function and be bound as a trustee under the provisions of this Article. If the City has not appointed a successor trustee within 60 days after the Board of Trustees' resignation, the Board of Trustees may apply to a court having jurisdiction for the appointment of a successor.

Article 9

Administration

9.1 Administrative Powers of Board of Trustees

In addition to its powers as trustee described in Article 8, the Board of Trustees, as Plan Administrator, shall have the discretionary power and authority to administer the Defined Contribution Plan in accordance with its terms and applicable laws and regulations. The Plan Administrator shall exercise its authority in a nondiscriminatory manner. The Plan Administrator shall have the powers necessary to administer and meet its obligations under the Defined Contribution Plan, including, but not limited to, the following:

- (a) Maintain records and accounts pertaining to the Defined Contribution Plan.
- (b) Interpret the terms and provisions of the Defined Contribution Plan.
- (c) Decide all questions of eligibility for participation in the Defined Contribution 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 may apply for retirement benefits under the Defined Contribution Plan and appeal a denial of retirement benefits.
- (f) Determine the rights under the Defined Contribution Plan of any Participant applying for or receiving retirement benefits.

(g) Authorize benefit payments from the trust fund to all Participants entitled to retirement benefits under the Defined Contribution Plan, and to pay the reasonable administrative expenses of the Defined Contribution Plan.

(h) Administer the appeal procedure provided for in this Article.

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

(j) Determine the employment status of any person providing services to the City.

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

(l) Determine the total Years of Vested Service of a Participant applying for or receiving retirement benefits.

9.2 Ability to Delegate Authority

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

The Plan Administrator may also enter into an administration agreement with a Benefit Administrator under which the Benefit Administrator shall be given broad authority by the Plan Administrator to administer claims for benefits under the Plan and to render other administrative services on behalf of the Plan. However, the Benefit Administrator shall have no power to modify any terms of the Plan or any benefit provided by the Plan, or to waive or fail to apply any requirements of eligibility for a benefit under the Plan. The Plan Administrator shall have the sole and final discretion regarding any claim for benefits under the Plan.

To the extent that these administrative responsibilities are assumed by the Benefit Administrator under an administration agreement, Employer and the Plan Administrator shall have no responsibility for these functions.

9.3 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.

9.4 Standard of Care

The Board of Trustees shall administer the Defined Contribution Plan and Trust Fund in accordance with the terms of the Defined Contribution Plan solely in the interest of the Participants and for the exclusive purposes of providing retirement benefits to Participants and defraying the reasonable expenses of administration. The Board of Trustees shall administer the

Defined Contribution Plan and Trust Fund 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.

9.5 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 Contribution 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.

9.6 Appeal Procedure

Any Participant whose application for benefits under the Defined Contribution Plan has been denied, in whole or in part, shall be given written notice of the denial of benefits by the Plan Administrator. The Plan Administrator shall provide the notice of denial within 90 days after the claim is received by the Defined Contribution Plan, unless special circumstances require an extension of time for processing the claim. If an extension of time is required, the Plan Administrator shall provide the 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 Contribution Plan on which the denial is based. The notice shall explain that the Participant may request a review of the denial and the procedure for requesting review. The notice shall describe any additional information necessary to approve the Participant's claim and explain why the information is necessary.

A Participant may make a written request to the Plan Administrator for a review of any denial of benefits under the Defined Contribution Plan. The written request 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 Contribution 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 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 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 Plan Administrator shall provide a review of the decision denying the claim for benefits within 60 days after receiving the written request for review.

A Participant may appeal the Plan Administrator's 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 Plan Administrator's review of the decision. The binding arbitration shall be conducted in accordance with rules and procedures established by the Plan Administrator.

Article 10

Rights of Participants

10.1 No Employment Rights

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

10.2 No Participant Interest in Trust Fund

No Participant, Beneficiary, or any other person shall have an interest in, or right to, any specific assets of the Trust Fund.

10.3 Spendthrift Provision

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

(a) A Participant may assign a portion of his Account to an alternate payee under an Eligible Domestic Relations Order, as provided in Section 7.5.

(b) A Participant's Account may be transferred or assigned to the extent permitted by Section 401(a)(13) of the Code and its regulations.

(c) Employer shall have the right of setoff for any claim arising from embezzlement or fraud by a Participant and for any overpayments.

(d) A Participant's Account 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.).

10.4 Military Service

A Participant who returns to employment with Employer from Qualified Military Service within the time limits established by USERRA is entitled to receive the Employer Contributions the Participant would have received if the Participant had been employed by Employer during the period of Qualified Military Service. No earnings shall be credited on make-up contributions for any period prior to the date they are actually made. Make-up contributions shall be treated as having been made in the Plan Year for which they are credited and not the Plan Year in which they are actually contributed.

(a) **Employer Contributions** Within 90 days after the date the Participant returns to employment with Employer, Employer shall contribute to the Defined Contribution Plan the Employer Contributions that would have been contributed for the Participant if the Participant had continued to be employed by Employer during the period of Qualified Military Service and received Compensation at the rate determined below. However, if it is impossible or unreasonable for Employer to make the contribution within 90 days after the Participant's date of reemployment, Employer shall make the contribution as soon as practicable after the Participant's date of reemployment.

(b) **Compensation** For purposes of determining the amount of make-up Employer Contributions to be made by Employer, the Participant shall be treated as having received Compensation from Employer during the period of Qualified Military Service equal to:

(1) **Projected Compensation** The rate of pay the Employee would have received from Employer but for absence during the period of Qualified Military Service; or

(2) **Prior Compensation** If the Compensation the Employee would have received during such period is not reasonably certain, the Employee's average Compensation from Employer during the 12-month period immediately preceding the Qualified Military Service (or, if shorter, the period of employment immediately preceding the Qualified Military Service).

Article 11

Plan Amendment, Merger and Termination

11.1 Plan Amendment

The City reserves the right to amend the Defined Contribution Plan at any time. However, the City's right to amend the Defined Contribution Plan is subject to the following:

(a) No amendment which affects the rights, duties or responsibilities of the Board of Trustees may be made without the Board of Trustees' consent.

(b) No amendment shall be effective unless the Defined Contribution Plan, as amended, shall be for the exclusive benefit of Participants.

(c) No amendment shall reduce the amount of a Participant's Account as of the effective date of the amendment.

(d) No amendment that affects a Benefit Group shall conflict with a specific provision in the Collective Bargaining Agreement of that Benefit Group.

Any amendment of the Defined Contribution Plan may be made retroactively effective to the extent permitted by the Code.

11.2 Merger or Consolidation

The Defined Contribution Plan may not be merged or consolidated with, nor may the assets or liabilities of the Trust Fund be transferred to, any other employee benefit pension plan unless each Participant would (if the Defined Contribution Plan then terminated) receive a retirement benefit immediately after the merger, consolidation or transfer which is equal to or greater than the retirement benefit the Participant would have been entitled to receive immediately before the merger, consolidation or transfer (if the Defined Contribution Plan had then terminated).

11.3 Termination of Plan

Employer may terminate or partially terminate the Defined Contribution Plan at any time to the extent permitted by any applicable Collective Bargaining Agreement. If the Defined Contribution Plan is terminated or partially terminated for any reason, the Trust Fund shall continue to be applied for the exclusive benefit of the Participants, and the Account of each Participant shall become fully vested and nonforfeitable.

After allocation of all expenses arising out of the termination to the Accounts of the Participants, the Trust Fund shall be liquidated and the Accounts distributed to the Participants.

In the event of a partial termination, only the Accounts of the affected Participants shall become fully vested and be distributed. The Accounts of the remaining Participants shall continue to be subject to all of the provisions of the Defined Contribution Plan.

Any distribution under this Section shall be in a single lump sum payment.

Article 12

Miscellaneous Provisions

12.1 Age

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

12.2 Uniformity of Treatment

Any discretionary action taken under the Defined Contribution Plan by the Plan Administrator or Employer shall be uniform in its application to similarly situated persons.

12.3 Notices and Elections

Except as otherwise provided in the Defined Contribution Plan, notices, elections and requests for distributions may be provided or made through electronic media to the extent permitted by applicable law.

12.4 Construction

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

12.5 Governing law

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

12.6 Collective Bargaining Agreement

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

Signature

Plan Sponsor has signed the City of Wyoming Defined Contribution Plan this _____ day of _____, 2011.

CITY OF WYOMING

By _____

Its _____

**Schedule A
to the
City of Wyoming
Defined Contribution Plan**

General Benefit Group

Section

Provision

3.1

Eligible Employees

(a) Employees Initially Hired After February 6, 2006. Members of this Benefit Group whose initial Date of Employment is after February 6, 2006, participate in the Defined Contribution Plan.

(b) Employees Initially Hired on or Before February 6, 2006. A member of this Benefit Group whose initial Date of Employment was on or before February 6, 2006, does not participate in the Defined Contribution Plan unless one of the following exceptions applies:

(1) Certain Re-hired Employees. An Employee who had a Severance from Employment, was subsequently re-hired by Employer after February 6, 2006, and did not have a deferred vested benefit under the Defined Benefit Plan as of his reemployment date participates in the Defined Contribution Plan as of the date provided in Section 3.2.

(2) Transfers from Defined Benefit Plan. An Employee who made a timely election to cease accruals under the Defined Benefit Plan and participate in the Defined Contribution Plan participates in the Defined Contribution Plan.

Election to Transfer From Defined Benefit Plan Members of this Benefit Group who participate in the Defined Benefit Plan may not elect to transfer to the Defined Contribution Plan.

4.2

Contribution Amount Employer shall contribute the amount or specified percentage of the Participant's Compensation set forth in the Collective Bargaining Agreement that applies to the General Benefit Group. The Employer Contribution is currently 8% of the Participant's Compensation. The portion of the General Benefit Group Collective Bargaining Agreement that sets forth the specified percentage is incorporated into the Plan by reference.

**Schedule B
to the
City of Wyoming
Defined Contribution Plan**

Administrative and Supervisory Benefit Group

Section

Provision

3.1

Eligible Employees

(a) Employees Initially Hired on and After September 6, 2005. Members of this Benefit Group whose initial Date of Employment is on or after September 6, 2005, participate in the Defined Contribution Plan.

(b) Employees Initially Hired Before September 6, 2005. A member of this Benefit Group whose initial Date of Employment was before September 6, 2005, does not participate in the Defined Contribution Plan unless one of the following exceptions applies:

(1) Certain Re-hired Employees. An Employee who had a Severance from Employment, was subsequently re-hired by Employer on or after September 6, 2005, and did not have a deferred vested benefit under the Defined Benefit Plan as of his reemployment date participates in the Defined Contribution Plan as of the date provided in Section 3.2.

(2) Transfers from Defined Benefit Plan. An Employee who made a timely election to cease accruals under the Defined Benefit Plan and participate in the Defined Contribution Plan under participates in the Defined Contribution Plan.

Election to Transfer From Defined Benefit Plan

(a) General Rule. Effective as of the date specified in the Collective Bargaining Agreement with the Administrative and Supervisory Employees Association, members of this Benefit Group who participate in the Defined Benefit Plan may not elect to transfer to the Defined Contribution Plan.

(b) Transfers Through Date Specified in Collective Bargaining Agreement. Effective through the date specified in the Collective Bargaining Agreement with the Administrative and Supervisory Employees Association, members of this

Section

Provision

Benefit Group who participate in the Defined Benefit Plan may make an irrevocable election to cease accruals under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan.

An election to participate in the Defined Contribution Plan must be made in accordance with administrative rules established by the City, and shall be effective no later than the date specified in the Collective Bargaining Agreement. The election may be made on a prospective basis only. The Employee shall become a Participant in the Defined Contribution Plan as of the date specified in the election form.

An Employee who participates in the Defined Benefit Plan and elects to participate in the Defined Contribution Plan shall have the lump sum actuarial equivalent of his accrued benefit under the Defined Benefit Plan transferred to the Defined Contribution Plan in a direct trustee-to-trustee transfer. The transfer shall occur as soon as administratively feasible after the Employee becomes a Participant in the Defined Contribution Plan. Amounts transferred to the Defined Contribution Plan under this Section on behalf of a Participant shall be credited to that Participant's Account.

4.2

Contribution Amount Employer shall contribute the amount or specified percentage of the Participant's Compensation set forth in the Collective Bargaining Agreement that applies to the Administrative and Supervisory Benefit Group. The Employer Contribution is currently 8% of the Participant's Compensation. The portion of the Administrative and Supervisory Benefit Group Collective Bargaining Agreement that sets forth the specified percentage is incorporated into the Plan by reference.

**Schedule C
to the
City of Wyoming
Defined Contribution Plan**

Police Command Benefit Group

Section

Provision

3.1

Eligible Employees

(a) Employees Initially Hired After February 20, 2006. Members of this Benefit Group whose initial Date of Employment is after February 20, 2006, participate in the Defined Contribution Plan.

(b) Employees Initially Hired on or Before February 20, 2006. A member of this Benefit Group whose initial Date of Employment was on or before February 20, 2006, does not participate in the Defined Contribution Plan unless one of the following exceptions applies:

(1) Certain Re-hired Employees. An Employee who had a Severance from Employment, was subsequently re-hired by Employer after February 20, 2006, and did not have a deferred vested benefit under the Defined Benefit Plan as of his reemployment date participates in the Defined Contribution Plan as of the date provided in Section 3.2.

(2) Transfers from Defined Benefit Plan. An Employee who made an irrevocable election to cease accruals under the Defined Benefit Plan and participate in the Defined Contribution Plan participates in the Defined Contribution Plan.

Election to Transfer From Defined Benefit Plan Members of this Benefit Group who participate in the Defined Benefit Plan may not elect to transfer to the Defined Contribution Plan.

4.2

Contribution Amount Employer shall contribute the amount or specified percentage of the Participant's Compensation set forth in the Collective Bargaining Agreement that applies to the Police Command Benefit Group. The Employer Contribution is currently 8% of the Participant's Compensation. The portion of the Police Command Benefit Group Collective Bargaining Agreement that sets forth the specified percentage is incorporated into the Plan by reference.

**Schedule D
to the
City of Wyoming
Defined Contribution Plan**

Police Nonsupervisory Benefit Group

Section

Provision

3.1

Eligible Employees

(a) Employees Initially Hired After September 4, 2007. Members of this Benefit Group whose most recent Date of Employment is after September 4, 2007, participate in the Defined Contribution Plan.

(b) Employees Initially Hired on or Before September 4, 2007. A members of this benefit group whose initial Date of Employment was on or before September 4, 2007, does not participate in the Defined Contribution Plan unless one of the following exceptions applies:

(1) Certain Re-hired Employees. An Employee who had a Severance from Employment, was subsequently re-hired by Employer after September 4, 2007, and did not have a deferred vested benefit under the Defined Benefit Plan as of his reemployment date participates in the Defined Contribution Plan as of the date provided in Section 3.2.

(2) Transfers to Defined Benefit Plan. An Employee who made a timely election to cease accruals under the Defined Benefit Plan and participate in the Defined Contribution Plan participates in the Defined Contribution Plan.

Election to Transfer From Defined Benefit Plan Members of this Benefit Group who participate in the Defined Benefit Plan may not elect to transfer to the Defined Contribution Plan.

4.2

Contribution Amount Employer shall contribute the amount or specified percentage of the Participant's Compensation set forth in the Collective Bargaining Agreement that applies to the Police Nonsupervisory Benefit Group. The Employer Contribution is currently 8% of the Participant's Compensation. The portion of the Police Nonsupervisory Benefit Group Collective Bargaining Agreement that sets forth the specified percentage is incorporated into the Plan by reference.

**Schedule E
to the
City of Wyoming
Defined Contribution Plan**

Police ECO Benefit Group

Section

Provision

3.1

Eligible Employees

All members of this Benefit Group had a Severance from Employment on or before December 31, 2010. The provisions regarding participation and Employer Contributions for this Benefit Group for the period before January 1, 2011 are located in Articles V and VI of the City Code.

**Schedule F
to the
City of Wyoming
Defined Contribution Plan**

Fire Benefit Group

Section

Provision

3.1

Eligible Employees

(a) Employees Initially Hired on and After September 6, 2005. Members of this Benefit Group whose initial Date of Employment is on or after September 6, 2005, participate in the Defined Contribution Plan.

(b) Employees Initially Hired Before September 6, 2005. A member of this Benefit Group whose initial Date of Employment was before September 6, 2005, does not participate in the Defined Contribution Plan unless one of the following exceptions applies:

(1) Certain Re-hired Employees. An Employee who had a Severance from Employment, was subsequently re-hired by Employer on or after September 6, 2005, and did not have a deferred vested benefit under the Defined Benefit Plan as of his reemployment date participates in the Defined Contribution Plan as of the date provided in Section 3.2.

(2) Transfers from Defined Benefit Plan. An Employee who made a timely election to cease accruals under the Defined Benefit Plan and participate in the Defined Contribution Plan participates in the Defined Contribution Plan.

Election to Transfer From Defined Benefit Plan Members of this Benefit Group who participate in the Defined Benefit Plan may not elect to transfer to the Defined Contribution Plan.

4.2

Contribution Amount Employer shall contribute the amount or specified percentage of the Participant's Compensation set forth in the Collective Bargaining Agreement that applies to the Fire Benefit Group. The Employer Contribution is currently 8% of the Participant's Compensation. The portion of the Fire Benefit Group Collective Bargaining Agreement that sets forth the specified percentage is incorporated into the Plan by reference.

**Schedule G
to the
City of Wyoming
Defined Contribution Plan**

Administrative Contract Benefit Group

<u>Section</u>	<u>Provision</u>
3.1	<p><u>Eligible Employees</u> Members of this Benefit Group are eligible to participate in the Defined Contribution Plan if the Employee's current employment contract with the City provides for participation in the Defined Contribution Plan.</p> <p><u>Election to Transfer From Defined Benefit Plan</u> Members of this Benefit Group who participate in the Defined Benefit Plan may not elect to transfer to the Defined Contribution Plan.</p>
4.2	<p><u>Contribution Amount</u> Employer shall contribute an amount equal to 8% of the Participant's Compensation or if, different, the amount required under the Participant's current employment contract with the City.</p>

CITY OF WYOMING
RETIREE MEDICAL TRUST AND BENEFIT POLICY
(Restated effective July 1, 2011)

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CITY OF WYOMING
RETIREE MEDICAL TRUST AND BENEFIT POLICY

Article 1

Establishment of Trust and Benefit Policy

1.1 History of Retiree Medical Trust

Employer has historically provided medical benefits to certain former Employees. Employer funded these benefits through the Defined Benefit Plan, which also described the terms and conditions for receiving these benefits. However, Employer determined that it is in the best interest of Employer and its Employees and former Employees to fund these benefits separately from the Defined Benefit Plan.

Accordingly, the City established the Trust Fund effective as of October 1, 2004 to provide for the funding of Retiree Medical Benefits through a separate trust.

1.2 This Document

This document sets forth the terms of the Trust Fund, as amended and restated effective as of July 1, 2011. This document also describes the terms and conditions for receiving Retiree Medical Coverage, as well as the portion of the cost of Retiree Medical Coverage, if any, Employer will pay effective as of July 1, 2011.

Employer maintains separate plan documentation for the Retiree Medical Coverage. This document does not replace the provisions of the separate plan documentation with respect to the Retiree Medical Benefits provided to eligible Retirees and their eligible dependents under the Retiree Medical Coverage.

1.3 Effect on Current Retirees

A Retiree who was receiving Retiree Medical Benefits as of the effective date of this document shall continue to receive Retiree Medical Benefits without interruption.

Article 2

Definitions

The following words, terms and phrases, when used in this document, 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 this document unless otherwise stated.

2.1 Benefit Group

“Benefit Group” has the same meaning as under the Defined Benefit Plan, and the definition of the term “Benefit Group” as set forth in Article 2 of the Defined Benefit Plan is incorporated into this document by reference.

2.2 Board of Trustees

“Board of Trustees” has the same meaning as under the Defined Benefit Plan, and the definition of the term “Board of Trustees” as set forth in Article 2 of the Defined Benefit Plan is incorporated into this document by reference.

2.3 City

“City” means the City of Wyoming, Michigan.

2.4 City Code

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

2.5 City’s Group Health Plan

“City’s Group Health Plan” means the group health plan or plans which the City makes available to active Employees in which the Retiree was enrolled at the time he terminated employment with Employer.

2.6 Claims Administrator

“Claims Administrator” means the person or entity designated and appointed by the City to administer the Retiree Medical Coverage.

2.7 Collective Bargaining Agreement

“Collective Bargaining Agreement” has the same meaning as under the Defined Benefit Plan, and the definition of the term “Collective Bargaining Agreement” as set forth in Article 2 of the Defined Benefit Plan is incorporated into this document by reference.

2.8 Date of Employment

“Date of Employment” means the date on which an employee performs his first Hour of Service for Employer. For this purpose the term “Hour of Service” has the same meaning as under the Defined Benefit Plan, and the definition of the term “Hour of Service” as set forth in Article 2 of the Defined Benefit Plan is incorporated into this document by reference.

2.9 Defined Benefit Plan

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

2.10 Defined Contribution Plan

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

2.11 DROP

“DROP” means the deferred retirement option plan component of the Defined Benefit Plan.

2.12 Duty Disability Retiree

“Duty Disability Retiree” means a Retiree who is currently receiving a duty disability benefit from the Defined Benefit Plan. A Retiree whose duty disability benefit has converted to a normal retirement benefit is not a Duty Disability Retiree.

2.13 Employee

“Employee” has the same meaning as under the Defined Benefit Plan, and the definition of the term “Employee” as set forth in Article 2 of the Defined Benefit Plan is incorporated into this document by reference.

2.14 Employer

“Employer” has the same meaning as under the Defined Benefit Plan, and the definition of the term “Employer” as set forth in Article 2 of the Defined Benefit Plan is incorporated into this document by reference.

2.15 HIPAA

“HIPAA” means the federal Health Insurance Portability and Accountability Act of 1996, as amended.

2.16 PEHP

“PEHP” means the City of Wyoming Post Employment Health Plan.

2.17 Retiree

“Retiree” means a former Employee who is currently receiving a normal retirement benefit, early retirement benefit, temporary disability benefit or deferred vested benefit from the Defined Benefit Plan or a former Employee who was a vested participant in the Defined Contribution Plan on the date of his termination of employment.

2.18 Retiree Medical Benefits

“Retiree Medical Benefits” means the benefits provided to Retirees and their eligible dependents pursuant to the Retiree Medical Coverage.

2.19 Retiree Medical Coverage

“Retiree Medical Coverage” means the group health plan or plans that Employer makes available to Retirees and their eligible dependents, which is the City’s Group Health Plan.

2.20 Schedules

“Schedules” means the Schedules attached to, and incorporated into, this document. Each Schedule states the amount, if any, Employer will pay toward the cost of Retiree Medical Coverage for eligible Retirees and their eligible dependents for each Benefit Group.

2.21 Spouse

“Spouse” means the person to whom a Retiree is legally married under the laws of the state of Michigan. Section 5.3 describes who is an eligible Spouse for purposes of the Retiree Medical Coverage.

2.22 Trust Fund

“Trust Fund” means the health benefits trust as set forth in Article 3.

2.23 Union

“Union” has the same meaning as under the Defined Benefit Plan, and the definition of the term “Union” as set forth in Article 2 of the Defined Benefit Plan is incorporated into this document by reference.

2.24 Year of Credited Service

“Year of Credited Service” has the same meaning as under the Defined Benefit Plan, and the definition of the term “Year of Credited Service” as set forth in Article 2 of the Defined Benefit Plan is incorporated into this document by reference.

For purposes of this document, an Employee shall be credited with Years of Credited Service in the manner described in Article 4 of the Defined Benefit Plan regardless of whether the Employee is a participant in the Defined Benefit Plan.

Article 3

Establishment of Trust Fund

3.1 Establishment of Trust Fund

The City established the Trust Fund for the purpose of holding its contributions toward the cost of the Retiree Medical Coverage.

The Trust Fund shall comply with the requirements of the Public Employee Health Care Fund Investment Act of 1999 (MCL §38.1211-1216), and shall be administered in a

manner consistent with that act. The provisions of this Article shall be construed and administered under the laws of the state of Michigan.

3.2 Acceptance of Trust by the Board of Trustees

By execution of an acceptance of trust, the secretary of the Board of Trustees shall accept the trust created under this Article on behalf of the Board of Trustees. The Board of Trustees shall be responsible for the management and administration of the Trust Fund in accordance with the terms of this Article.

3.3 Trust Fund

Title to the assets of the Trust Fund shall at all times be vested exclusively in the Board of Trustees. The Board of Trustees is to have exclusive authority and discretion to hold, manage and control the assets of the Trust Fund, including utilizing the services of a custodian to invest the assets of the Trust Fund. The Board of Trustees shall hold and use the Trust Fund exclusively for the following purposes:

- (a) To pay or provide for the payment of the Retiree Medical Benefits to eligible Retirees and their eligible dependents, as provided in the Retiree Medical Coverage;
- (b) To pay or provide for the payment of all reasonable and necessary expenses of administering the Retiree Medical Coverage and the Trust Fund;
- (c) To establish and accumulate as part of the Trust Fund an adequate reserve to carry out the purposes of the Retiree Medical Coverage and Trust Fund; and
- (d) To pay any federal, state or local taxes that may be properly imposed upon or levied against the Trust Fund or benefits paid from the Trust Fund.

3.4 Investment of Trust Fund by Board of Trustees

The Board of Trustees and any custodian shall invest the Trust Fund in accordance with the requirements of the Public Employee Health Care Fund Investment Act (MCL §38.1211-1216).

3.5 Amount and Timing of Contributions to the Trust Fund

Contributions to the Trust Fund shall be made at the times and in the amounts determined by Employer from time to time. All contributions to the Trust Fund shall be deemed to take place in the state of Michigan.

3.6 Accountability of Board of Trustees

The Board of Trustees shall be entitled to receive from Employer only the sums of money and other property which Employer pays or delivers to the Board of Trustees. The Board of Trustees shall not have the right and shall not be subject to any duty to demand from

Employer any other sums of money or other property, nor to require any contributions to be made nor to determine that the contributions received comply with the Retiree Medical Coverage. The contributions shall be made in cash or other property acceptable to the Board of Trustees.

3.7 Nonreversion of Trust Fund Assets

Employer shall have no right, title or interest in the contributions made to the Trust Fund and the Board of Trustees. No part of the Trust Fund shall revert to or inure to the benefit of Employer, except that any contribution which is made by a mistake of fact shall be returned to Employer within one year after payment of the contribution.

3.8 Distributions From the Trust Fund

Distributions shall be made from the Trust Fund to provide Retiree Medical Benefits to eligible Retirees and their eligible dependents in accordance with the Retiree Medical Coverage and this document. The City may enter into an administration agreement with a Claims Administrator, which may grant the Claims Administrator broad authority to administer benefit payments under the Retiree Medical Coverage and to provide other administrative services with respect to the Retiree Medical Coverage.

The Board of Trustees shall have no responsibility to verify the use of distributions from the Trust Fund or to determine whether distributions comply with the terms of the Retiree Medical Coverage. The Board of Trustees may rely and act based upon information furnished by the City and its representatives, or the Claims Administrator and its representatives.

3.9 Payment of Trust Fund Expenses

The Board of Trustees may pay from the Trust Fund all reasonable and necessary expenses and charges incurred in connection with the administration or operation of the Retiree Medical Coverage or the Trust Fund, including charges made by the Claims Administrator and fees and expenses for all agency and legal services rendered to the Board of Trustees.

3.10 Purchase of Insured Benefits

The City may periodically obtain insurance policies from one or more insurers to provide all or part of the Retiree Medical Coverage funded through the Trust Fund. The City shall be named as the policyholder of any policy or policies and, at the direction of the City, the Board of Trustees shall pay all premiums when due from the Trust Fund.

3.11 Payment of Taxes

Any taxes assessed against the Trust Fund which the Board of Trustees is required to pay shall be charged to the Trust Fund. The Board of Trustees shall advise the City of any taxes, other than real and personal property and transfer taxes, immediately upon notice of their assessment and shall make no payment of taxes until authorized by the City. If the City advises the Board of Trustees in writing that any taxes are not lawfully assessed in the opinion of legal counsel for the City, the Board of Trustees shall, if requested, contest or join with the City in

contesting the validity or amount of the taxes in any manner deemed appropriate by the City or its counsel. "Taxes," as used in this subsection, includes any interest or penalties levied or imposed in respect to any taxes. Any expense incurred by the City or the Board of Trustees in contesting the validity or amount of any taxes shall be charged to the Trust Fund to the extent not paid by the City.

3.12 No Retiree Interest in Trust Fund

No Retiree, nor any other person claiming benefits under the Retiree Medical Coverage, shall have any right to, or interest in, any part of the Trust Fund. No assignment, alienation, sale, transfer, pledge, encumbrance or anticipation of any benefit under the Retiree Medical Coverage shall be recognized by the Board of Trustees. No attachment or garnishment of or other legal process against the Trust Fund, or any benefit payment under the Retiree Medical Coverage, shall be recognized by the Board of Trustees, except as it may be required to do so by law.

3.13 Directions to Board of Trustees

It shall be the duty of the City to keep the Board of Trustees advised, in writing, of the names of the individuals working for the City or the Claims Administrator who will administer the Retiree Medical Coverage and provide the Board of Trustees with a specimen signature of each individual. Any direction of the City or the Claims Administrator pursuant to the provisions of this Article or the Retiree Medical Coverage, including the authorization of Retiree Medical Benefit payments, shall be made in writing and signed by an individual designated by the City or the Claims Administrator.

The Board of Trustees shall act, and be fully protected in acting, in accordance with the written direction of the individual designated by the City or the Claims Administrator. The Board of Trustees shall not be bound by any communication under this Article or the Retiree Medical Coverage not made in writing.

The Board of Trustees is not party to the Retiree Medical Coverage and makes no representations with respect to the Retiree Medical Coverage. It is intended that all duties, obligations, powers and rights of the Board of Trustees with respect to the Retiree Medical Coverage and the Trust Fund are stated in this Article.

3.14 General Powers and Rights of Board of Trustees

Subject to the specific provisions of this Article, the Board of Trustees has the following powers which may be used in performing its duties under this Article:

- (a) To open bank accounts in the name of the Trust Fund and to make deposits in the accounts in order to facilitate the payment of Retiree Medical Benefits, at the direction of the City or the Claims Administrator. The Board of Trustees shall not be liable or responsible for, or be required to see to the application of, any disbursements from the accounts made in accordance with the directions unless the Board of Trustees has actual notice of improper direction of any portion of the Trust Fund;

(b) To enforce any right, obligation or claim in its discretion and in general to protect in any way the interests of the Trust Fund, either before or after default. If the Board of Trustees, in its discretion, considers it for the best interests of the Trust Fund, to abstain from the enforcement of any right, obligation or claim;

(c) To make, execute, acknowledge and deliver any and all assignments, documents of transfer and conveyance and any and all other instruments necessary or appropriate to carry out any powers granted in this Article;

(d) To do all acts which the Board of Trustees may deem necessary or proper and to exercise any and all of the powers of the Board of Trustees under this Article upon the terms and conditions the Board of Trustees may deem for the best interests of the Trust Fund and the Retiree Medical Coverage; and

(e) To invest the Trust Fund in any investment permitted by law, subject to the terms of this Article.

3.15 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 this Section. 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.

3.16 Standard of Care to be Used by Board of Trustees

The Board of Trustees shall discharge its duties with respect to the Retiree Medical Coverage and this Article solely in the interests of eligible Retirees and their dependents, and for the exclusive purpose of providing Retiree Medical Benefits to eligible Retirees and their eligible dependents and defraying reasonable expenses of administering the Retiree Medical Coverage and the Trust Fund.

The Board of Trustees shall discharge its duties 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. The Board of Trustees shall not be liable for anything done or omitted to be done by it, except due to a violation of the standard of care provided in the preceding sentences of this Section.

3.17 Records of Board of Trustees

The Board of Trustees shall keep accurate and detailed accounts of all investments, receipts and disbursements and other transactions under the Trust Fund. All accounts, books and records relating to the Trust Fund shall be open at all reasonable times to inspection and audit by any person or persons designated by the City. Upon request, the Board of Trustees shall furnish the City with the information it reasonably requests regarding the administration and investments of the Trust Fund.

3.18 Annual Accounting by Board of Trustees

Within 90 days after the close of the City's fiscal year or the removal or resignation of the Board of Trustees as trustee of the Trust Fund, the Board of Trustees shall file with the City a written accounting setting forth all investments, receipts and disbursements, and other transactions completed by it during the year or other period since the last written accounting. The accounting shall include a description of all securities and other investments purchased or sold, with the cost of purchases and net proceeds of sales indicated. The written accounting shall also include a description, including value, of all cash, securities and other property held at the date of the accounting. At least once every five years, the Board of Trustees shall have an actuarial review of the Trust Fund performed in accordance with the provisions of the Public Employee Health Care Investment Act (MCL §38.1211-1216).

3.19 Release of Board of Trustees

The Board of Trustees shall be released from any liability or accountability to anyone in connection with the accounting or resulting from any of the acts or transactions shown in the accounting, unless:

- (a) The City files written objections with the Board of Trustees within six months of the accounting claiming breach of fiduciary duty, negligence, willful misconduct or lack of good faith by the Board of Trustees; or
- (b) The Board of Trustees has committed fraud or obvious error.

3.20 Settlement of Board of Trustees' Accountings

The accountings of the Board of Trustees need only be rendered to and settled with the City. Upon settlement, the accounting shall be binding upon the City, the Retirees and their dependents. No accountings other than those provided for in this Article shall be required of the Board of Trustees, and no other person or party shall be entitled to any accounting by the Board of Trustees. The Board of Trustees may also have any of its accountings settled by a court having jurisdiction. The Board of Trustees shall be liable to account only in the courts of the state of Michigan.

3.21 Legal Proceedings for Settlement of Accountings or Administration of Trust Fund

In any proceedings for settlement of the accountings of the Board of Trustees or concerning administration of the Trust Fund, the City and the Board of Trustees shall be the only necessary parties. Service of any notice or process upon the City shall be deemed, for all purposes, service upon the Retirees and their dependents. Any final judgment in any action or proceeding for settlement of the accountings or concerning the administration of the Trust Fund shall be binding and conclusive on the Board of Trustees, the City and the eligible Retirees, their eligible dependents and their beneficiaries.

3.22 Compensation of Board of Trustees

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 this Article, 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 or her duties under this Article. Any compensation or reimbursement of expenses provided to a member of the Board of Trustees shall be paid from the Trust Fund, unless paid directly by Employer.

3.23 Removal or Resignation of Board of Trustees

The City may remove the Board of Trustees as trustee for the Trust Fund at any time by giving written notice to the Board of Trustees. The Board of Trustees may resign at any time by giving written notice to the City. The Board of Trustees' removal or resignation shall be effective upon the appointment of a successor trustee.

3.24 Successor Trustee

Upon the removal or resignation of the Board of Trustees, the City shall appoint a successor trustee within 60 days. The appointment shall become effective upon delivery of a written acceptance of the trust to the City and the Board of Trustees. Upon giving written acceptance of trust, the successor trustee shall have all the rights and duties given to the Board of Trustees by this Article and shall be bound by the provisions of this Article. In the interim before a successor trustee files a written acceptance of trust, the Board of Trustees shall continue to function and be bound as a trustee under the provisions of this Article. If the City has not appointed a successor trustee within 60 days after Board of Trustees' resignation, the Board of Trustees may apply to a court having jurisdiction for the appointment of a successor.

3.25 Amendment of This Article or Termination of the Trust Fund

The City shall have the right to amend this Article or terminate the Trust Fund at any time by action of its governing body or by the written approval of an authorized official to whom the governing body has delegated the authority to amend this Article. No amendment shall change the duties, powers or liabilities of the Board of Trustees without its written consent.

3.26 Termination of Retiree Medical Coverage

The City may terminate the Retiree Medical Coverage at any time by action of its governing body and shall notify the Board of Trustees in writing of the termination. After this notice is provided, the Trust Fund shall terminate in accordance with the provisions of this Section. The assets then remaining in the Trust Fund shall continue to be used and applied for the payment of Retiree Medical Benefits to eligible Retirees and their eligible dependents with respect to claims arising prior to the termination and for the payment of the reasonable and necessary expenses incurred in the termination of the Retiree Medical Coverage.

Any assets remaining in the Trust Fund shall be used to provide Retiree Medical Benefits for eligible Retirees and their dependents until the Trust Fund is exhausted. Upon termination of the Retiree Medical Coverage, the Board of Trustees shall continue to serve until the Trust Fund is exhausted.

Article 4

Retiree Medical Coverage

4.1 Administration of the Retiree Medical Coverage

The operation and administration of the Retiree Medical Coverage shall be the sole and exclusive responsibility of the City.

4.2 Retiree Medical Benefits

The actual coverage provided to Retirees, Retirees' Spouses and Retirees' dependent children shall be set forth in a separate document that describes the Retiree Medical Coverage. All terms and conditions of the Retiree Medical Coverage not specifically addressed in this document shall be governed by that separate documentation. Retiree Medical Coverage may be provided through an insurance policy obtained by the City on behalf of Retirees, Retirees' Spouses and Retirees' dependent children. The City may periodically change the insurance carrier for the Retiree Medical Coverage and/or may request changes be made in the terms of the policy.

4.3 Benefits Secondary to Medicare

Any Retiree Medical Coverage shall be secondary to Medicare for any Retiree, Spouse or dependent child who is eligible for Medicare to the extent permitted by applicable federal law. This is true even where the individual is eligible for Medicare but has failed to enroll and/or pay any required contributions, deductibles and/or copayments.

4.4 Amount to be Paid by Employer for Retiree Medical Coverage

(a) **Amount Paid for Retiree and Spouse – General Rule** Except as otherwise provided in a separate written agreement between Employer and a Retiree, the amount to be paid by Employer for Retiree Medical Coverage for an eligible Retiree and the Retiree's eligible Spouse shall be based on the Benefit Group in which the Retiree

was a member on the last day the Retiree performed services for Employer, as set forth in the Schedule and Collective Bargaining Agreement for that Benefit Group in effect on the date the Retiree terminated employment with Employer.

For an eligible Retiree who:

- (1) Terminated employment with Employer after satisfying the service requirement to be eligible for Retiree Medical Coverage; and
- (2) Was subsequently re-hired by Employer into a different Benefit Group in a position normally scheduled to work 1,000 or more Hours of Service during Employer's fiscal year (July 1, through June 30);

the amount to be paid by Employer for Retiree Medical Coverage for the Retiree and the Retiree's eligible Spouse shall be based on the Benefit Group in which the Retiree was most recently a member, as set forth in the Schedule and Collective Bargaining Agreement for that Benefit Group in effect on the date of the Retiree's most recent termination of employment with Employer.

(b) **Amount Paid for Dependent Children – General Rule** The Retiree shall pay the entire cost of coverage for any eligible dependent children. The cost of this dependent coverage shall be the full cost, or the difference between single-person, two-person or family coverage. Employer shall not be responsible for the payment of any portion of the cost of this dependent coverage.

(c) **Special Rule for Duty Disability Retiree, Spouse and Dependent Children** Employer shall pay the full cost of Retiree Medical Coverage for an eligible Duty Disability Retiree, the Duty Disability Retiree's eligible Spouse, and the Duty Disability Retiree's eligible dependent children before the date on which the Duty Disability Retiree's duty disability benefit converts to a normal retirement benefit.

A Retiree who is receiving a benefit from the Defined Benefit Plan must provide written authorization to the Board of Trustees to deduct from the Retiree's monthly benefit from the Defined Benefit Plan the difference, if any, between the actual cost of the Retiree Medical Coverage and the amount Employer will pay toward Retiree Medical Coverage for the Retiree, the Retiree's eligible Spouse and the Retiree's eligible dependent children.

Article 5

Eligibility for Retiree Medical Coverage

5.1 Retirees Under the Defined Benefit Plan

A Retiree who was a participant in the Defined Benefit Plan on the date of his termination of employment is eligible to enroll in Retiree Medical Coverage as of the date on which he begins to receive a normal retirement benefit, early retirement benefit, temporary disability benefit (including a duty disability benefit) or deferred vested benefit from the Defined Benefit Plan.

5.2 Retirees Under the Defined Contribution Plan

A Retiree who was a participant in the Defined Contribution Plan on the date of his termination of employment shall be eligible to enroll in Retiree Medical Coverage as of the date on which the Retiree would qualify for and begin to receive a normal retirement benefit, early retirement benefit, temporary disability benefit (including a duty disability benefit) or deferred vested benefit from the Defined Benefit Plan based on his age and his Years of Credited Service as of the date of his termination of employment if the Retiree were a participant in the Defined Benefit Plan on the date of his termination of employment.

5.3 Retiree's Spouse

(a) **General Rule** The Spouse of a Retiree is eligible to enroll in Retiree Medical Coverage if the Retiree is enrolled in Retiree Medical Coverage; and

(1) The Spouse and the Retiree were married as of the date the Retiree terminated employment with Employer; or

(2) The Retiree received a temporary disability benefit under the Defined Benefit Plan which converted to a normal retirement benefit, and the Spouse and Retiree were married on the date the temporary disability benefit began; or

(3) The Retiree received a duty disability benefit under the Defined Benefit Plan which converted to a normal retirement benefit, and the Spouse and Retiree were married on or before the date the duty disability benefit converted to a normal retirement benefit.

A Spouse who is acquired after the eligibility date in subsection (1), (2) or (3) above that applies to the Retiree's circumstances is not eligible to enroll in Retiree Medical Coverage.

(b) **Special Rule for DROP Participants** The Spouse of a Retiree who participated in the DROP is eligible to enroll in Retiree Medical Coverage if:

(1) The Retiree is enrolled in Retiree Medical Coverage; and

(2) The Spouse and Retiree were married as of the date the Retiree entered the DROP. A Spouse who is acquired after the date the Retiree entered the DROP is not eligible to enroll in Retiree Medical Coverage. But for Retirees who entered the DROP on or before December 31, 2010, the Retiree and Spouse must be married as of the date the Retiree terminates employment with Employer.

Notwithstanding the rules of this Section, a Retiree's Spouse shall be eligible to enroll in Retiree Medical Coverage to the extent necessary to comply with the special enrollment rules under HIPAA.

A Retiree's Spouse's eligibility for Retiree Medical Coverage ends on the date the Retiree and Spouse divorce. A Retiree's death does not terminate his otherwise eligible Spouse's eligibility for Retiree Medical Coverage.

5.4 Dependent Children

(a) **General Rule** A dependent child of a Retiree is eligible to enroll in Retiree Medical Coverage if:

- (1) The Retiree is enrolled in Retiree Medical Coverage;
- (2) The child was enrolled in the City's Group Health Plan on the date before the Retiree terminated employment with Employer or began receiving a temporary disability benefit from the Defined Benefit Plan; and
- (3) The child is an eligible dependent under the Retiree Medical Coverage.

Children who are acquired after the date the Retiree terminated employment with Employer are not eligible to enroll in Retiree Medical Coverage.

(b) **Special Rule for Duty Disability Retirees** A dependent child of a Retiree whose duty disability benefit under the Defined Benefit Plan converted to a normal retirement benefit under the Defined Benefit Plan is eligible to enroll in Retiree Medical Coverage if:

- (1) The Retiree is enrolled in Retiree Medical Coverage;
- (2) The child was enrolled in the City's Group Health Plan on or before the date on which the duty disability benefit converted to a normal retirement benefit; and
- (3) The child is an eligible dependent under the Retiree Medical Coverage.

Children who are acquired after the date the duty disability benefit converted to a normal retirement benefit are not eligible to enroll in Retiree Medical Coverage.

Notwithstanding the rules of this Section, a Retiree's dependent children shall be eligible to enroll in Retiree Medical Coverage to the extent necessary to comply with the special enrollment rules under HIPAA.

The Retiree's death does not terminate his otherwise eligible dependent children's eligibility for Retiree Medical Coverage.

5.5 Dependents of Deceased Employee

If an Employee dies while employed by Employer (regardless of whether the death is duty-related) the Employee's surviving Spouse and dependent children are eligible to enroll in Retiree Medical Coverage if the Employee satisfied the applicable service requirement for his Benefit Group for a deferred vested benefit from the Defined Benefit Plan before his death.

A deceased Employee's eligible surviving Spouse and eligible dependent children may enroll in Retiree Medical Coverage as of the date the deceased Employee would have satisfied the applicable age requirement for a deferred vested benefit from the Defined Benefit Plan based on the Employee's Benefit Group. But a deceased Employee's children are only eligible to enroll in Retiree Medical Coverage if they are eligible dependents under the Retiree Medical Coverage.

5.6 Dependents of Deceased Former Employee

If a former Employee dies before enrolling in the Retiree Medical Coverage, the deceased former Employee's Spouse on the date he terminated employment with Employer and the deceased former Employee's dependent children are eligible to enroll in Retiree Medical Coverage if the former Employee had satisfied the applicable service requirement for his Benefit Group for a deferred vested benefit from the Defined Benefit Plan before he terminated employment with Employer.

A deceased former Employee's eligible surviving Spouse and eligible dependent children may enroll in Retiree Medical Coverage as of the date the deceased former Employee would have satisfied the applicable age requirement for a deferred vested benefit from the Defined Benefit Plan based on the deceased former Employee's Benefit Group as of the date of his termination of employment with Employer. But a deceased former Employee's children are only eligible for Retiree Medical Coverage if they were acquired before the former Employee terminated employment with Employer and they are eligible dependents under the Retiree Medical Coverage.

5.7 COBRA Beneficiaries

Any individual (Retiree, Spouse and/or dependent child) who is not eligible to enroll in Retiree Medical Coverage at the time the Employee terminates employment with Employer or, if later, on the date the Retiree's duty disability benefit under the Defined Benefit Plan converts to a normal retirement benefit, may enroll in COBRA continuation coverage under the City's Group Health Plan to the extent the individual is otherwise eligible for COBRA continuation coverage. However, enrollment in COBRA continuation coverage is not a prerequisite for enrollment in Retiree Medical Coverage. An individual who elects COBRA continuation coverage and later becomes eligible to enroll in Retiree Medical Coverage may terminate his COBRA coverage (if it has not already terminated) and enroll in Retiree Medical Coverage. An individual cannot be simultaneously enrolled in both COBRA continuation coverage and Retiree Medical Coverage.

5.8 Retirees Eligible for Other Coverage

Any Retiree who is receiving or can receive other equivalent hospitalization coverage from the Retiree's current employment or the current employment of the Retiree's Spouse may enroll in Retiree Medical Coverage, but the Retiree Medical Coverage will be a supplement to that coverage by providing coverage on a secondary basis to provide a coverage package that is equivalent to the Retiree Medical Coverage.

Any Retiree who can receive medical coverage from Employer as a result of the Retiree's Spouse's current employment with Employer is not eligible for Retiree Medical Coverage.

Article 6

Amendment and Termination

Retirees, Retirees' Spouses and Retirees' dependent children are not vested in their rights to any Retiree Medical Coverage offered by Employer. Employer reserves the right to amend this document at any time, to the extent permitted by any applicable Collective Bargaining Agreements. Employer further reserves the right to amend or terminate the Retiree Medical Coverage at any time, to the extent permitted by any applicable Collective Bargaining Agreements.

Signature

The City has signed the City of Wyoming Retiree Medical Trust and Benefit Policy this _____ day of _____, 2011.

CITY OF WYOMING

By _____

Its _____

**Schedule A
to the
City of Wyoming
Retiree Medical Trust and Benefit Policy**

General Benefit Group

1. Employer Contributions to the Cost of Retiree Medical Coverage

Employer shall pay all or a portion of the cost of Retiree Medical Coverage for an eligible Retiree who did not participate in the PEHP and his eligible Spouse as described in this Section. Employer shall not pay any portion of the cost of Retiree Medical Coverage for a Retiree and his eligible Spouse if the Retiree participated in the PEHP or was hired on or after July 1, 2009.

(a) **Amount to be Paid Through Age 60** The amount to be paid by Employer for Retiree Medical Coverage for an eligible Retiree and his eligible Spouse for the period before the Retiree attains or would have attained age 60 shall be the benefit amount set forth in the following table, multiplied by the Retiree's Years of Credited Service, up to a maximum of 25 years:

<u>Effective Date</u>	<u>Benefit Amount</u>
Before July 1, 1989	See Article II of Chapter 58 of the City Code
Before February 7, 2006	See Article IV of Chapter 58 of the City Code
February 7, 2006 – July 1, 2009	\$15.00
July 2, 2009	\$20.00

(b) **Amount to be Paid Upon Attainment of Age 60 – Rule After July 1, 1994** The amount to be paid by Employer for Retiree Medical Coverage for an eligible Retiree and his eligible Spouse after the Retiree attains or would have attained age 60 shall be the benefit amount set forth in the following table:

<u>Most Recent Date of Hire</u>	<u>Benefit Amount</u>
On or before February 6, 2006	Full cost
On or after February 7, 2006	24% of the cost, plus an additional 4% of the cost for each Year of Credited Service earned by the Retiree after 10 Years of Credited Service, up to the full cost

Payment under this subsection shall begin with the first month following the month in which the Retiree attains or would have attained age 60.

(c) **Amount to be Paid Upon Attainment of Age 60 – Rule Before July 2, 1994** For Retirees who began to receive a monthly pension benefit from the Defined Benefit Plan on or before July 1, 1994, the amount to be paid upon attainment of age 60 is set forth in Articles II and IV of Chapter 58 of the City Code.

2. Date Payments Begin

(a) **Participants in the Defined Benefit Plan** For an eligible Retiree who was a participant in the Defined Benefit Plan on the date of his termination of employment and the Retiree's eligible Spouse, Employer shall pay its share of the cost of Retiree Medical Coverage beginning with the month in which the Retiree begins to receive a monthly pension benefit from the Defined Benefit Plan on or after the attainment of age 55. However, the age 55 requirement shall be waived for a Retiree receiving a temporary disability benefit from the Defined Benefit Plan.

(b) **Participants in the Defined Contribution Plan** For an eligible Retiree who was a participant in the Defined Contribution Plan and the Retiree's eligible Spouse, Employer shall pay its share of the cost of Retiree Medical Coverage beginning with the month in which, if the Retiree were a participant in the Defined Benefit Plan, the Retiree would qualify for and begin to receive a receive a temporary disability benefit, (other than a duty disability benefit), early retirement benefit, normal retirement benefit or deferred vested benefit from the Defined Benefit Plan on or after the attainment of age 55, based on his age and Years of Credited Service as of the date of his termination of employment.

3. Date Payments End

For the time period before July 1, 1992, Employer's payment of any portion of the cost of Retiree Medical Coverage for the Retiree and the Retiree's Spouse ended upon the Retiree's attainment of age 65. Effective as of July 1, 1992, Employer shall pay its share of the cost of Retiree Medical Coverage for an eligible Retiree for the Retiree's life and it shall pay its share of the cost of Retiree Medical Coverage for the Retiree's eligible Spouse for the life of the Spouse.

**Schedule B
to the
City of Wyoming
Retiree Medical Trust and Benefit Policy**

Administrative and Supervisory Benefit Group

1. Employer Contributions to the Cost of Retiree Medical Coverage

Employer shall pay all or a portion of the cost of Retiree Medical Coverage for an eligible Retiree who did not participate in the PEHP and his eligible Spouse as set forth in the following table:

<u>Initial Date of Hire</u>	<u>Benefit Amount</u>
On or before July 1, 2004	Full cost
On or after July 2, 2004	4% of the cost for each Year of Credited Service earned by the Retiree, up to the full cost

Employer shall not pay any portion of the cost of Retiree Medical Coverage for a Retiree and his eligible Spouse if the Retiree participated in the PEHP or was hired on or after July 2, 2007.

2. Date Payments Begin

(a) **Participants in the Defined Benefit Plan** For an eligible Retiree who was a participant in the Defined Benefit Plan on the date of his termination of employment and the Retiree's eligible Spouse, Employer shall pay the full cost of Retiree Medical Coverage beginning with the month in which the Retiree begins to receive a monthly pension benefit from the Defined Benefit Plan.

(b) **Participants in the Defined Contribution Plan** For an eligible Retiree who was a participant in the Defined Contribution Plan on the date of his termination of employment and the Retiree's eligible Spouse, Employer shall pay the full cost of Retiree Medical Coverage beginning with the month in which, if the Retiree were a participant in the Defined Benefit Plan, the Retiree would qualify for and begin to receive a temporary disability benefit (other than a duty disability benefit), early retirement benefit, normal retirement benefit or deferred vested benefit from the Defined Benefit Plan, based on his age and his Years of Credited Service as of the date of his termination of employment.

3. Date Payments End

Employer shall pay its share of the cost of Retiree Medical Coverage for an eligible Retiree for the Retiree's life and it shall pay its share of the cost of Retiree Medical Coverage for the Retiree's eligible Spouse for the life of the Spouse.

**Schedule C
to the
City of Wyoming
Retiree Medical Trust and Benefit Policy**

Police Command Benefit Group

1. Employer Contribution to the Cost of Retiree Medical Coverage

Employer shall pay all or a portion of the cost of Retiree Medical Coverage for an eligible Retiree who did not participate in the PEHP and his eligible Spouse as described in this Section. Employer shall not pay any portion of the cost of Retiree Medical Coverage for a Retiree and his eligible Spouse if the Retiree participated in the PEHP or was hired on or after July 1, 2008.

(a) **Amount to be Paid Through Age 60** For eligible Retirees who were members of this Benefit Group as of April 23, 1986, Employer shall pay the full cost of Retiree Medical Coverage for the Retiree and the Retiree's eligible Spouse. For eligible Retirees who became members of this Benefit Group after April 23, 1986, the amount to be paid by Employer for Retiree Medical Coverage for the Retiree and the Retiree's eligible Spouse shall be the benefit amount set forth in the following table, multiplied by the Retiree's Years of Credited Service, up to a maximum of 25 years (30 years for members of this Benefit Group who Retire on and after July 1, 2002):

<u>Effective Date</u>	<u>Benefit Amount</u>
Before July 1, 1989	See Article II of Chapter 58 of the City Code
July 1, 1989 –June 30, 2002	See Article IV of Chapter 58 of the City Code
July 1, 2002 – February 20, 2006	\$15.00
February 21, 2006	\$20.00

(b) **Amount to be Paid Upon Attainment of Age 60 – Rule After July 1, 1991** The amount to be paid by Employer for Retiree Medical Coverage for an eligible Retiree and his eligible Spouse after the Retiree attains or would have attained age 60 shall be the benefit amount set forth in the following table:

<u>Most Recent Date of Hire</u>	<u>Benefit Amount</u>
On or before June 30, 2008	Full cost
On or after July 1, 2008	24% of the cost, plus an additional 4% of the cost for each Year of Credited Service earned by the

Retiree after 10 Years of Credited Service, up to the full cost

Payment under this subsection shall begin with the first month following the month in which the Retiree attains or would have attained age 60.

(c) **Amount to be Paid Upon Attainment of Age 60 – Rule Before July 2, 1991** For Retirees who began to receive a monthly pension benefit from the Defined Benefit Plan on or before July 1, 1991, the amount to be paid by Employer is set forth in Articles II and IV of Chapter 58 of the City Code.

2. Date Payments Begin

(a) **Participants in the Defined Benefit Plan** For an eligible Retiree who was a participant in the Defined Benefit Plan on the date of his termination of employment and the Retiree's eligible Spouse, Employer shall pay its share of the Retiree Medical Coverage beginning with the month in which the Retiree begins to receive a monthly pension benefit from the Defined Benefit Plan.

(b) **Participants in the Defined Contribution Plan** For an eligible Retiree who was a participant in the Defined Contribution Plan and the Retiree's eligible Spouse, Employer shall pay its share of the cost of Retiree Medical Coverage beginning with the month in which, if the Retiree were a participant in the Defined Benefit Plan, the Retiree would qualify for and begin to receive a receive a temporary disability benefit (other than a duty disability benefit), early retirement benefit, normal retirement benefit or deferred vested benefit from the Defined Benefit Plan, based on his age and his Years of Credited Service as of the date of his termination of employment.

3. Date Payments End

For eligible Retirees who were members of this Benefit Group as of April 23, 1986, and who become eligible for Retiree Medical Coverage after July 1, 1991, Employer shall pay its share of the cost of Retiree Medical Coverage for the Retiree for the Retiree's life and it shall pay its share of the cost of Retiree Medical Coverage for the Retiree's eligible Spouse for the life of the Spouse.

For eligible Retirees who were not members of this Benefit Group as of April 23, 1986, and who began to receive a monthly pension benefit from the Defined Benefit Plan before July 1, 1991, Employer's payment of any portion of the cost of Retiree Medical Coverage for the Retiree and the Retiree's eligible Spouse ends upon the date the Retiree attains or would have attained age 65.

**Schedule D
to the
City of Wyoming
Retiree Medical Trust and Benefit Policy**

Police Nonsupervisory Benefit Group

1. Employer Contributions to the Cost of Retiree Medical Coverage

Employer shall pay all or a portion of the cost of Retiree Medical Coverage for an eligible Retiree who did not participate in the PEHP and his eligible Spouse as described in this Section. Employer shall not pay any portion of the cost of Retiree Medical Coverage for a Retiree and his eligible Spouse if the Retiree participated in the PEHP or was hired on or after September 4, 2007.

(a) **Amount to be Paid Through Age 60 – After July 1, 1992** The amount to be paid by Employer for Retiree Medical Coverage for an eligible Retiree and his eligible Spouse for the period before the Retiree attains or would have attained age 60 shall be the benefit amount set forth in the following table, multiplied by the Retiree’s Years of Credited Service, up to a maximum of 25 years (30 years effective as of July 1, 1989):

<u>Effective Date</u>	<u>Benefit Amount</u>
Before July 1, 1987	See Article II of Chapter 58 of the City Code
Before July 1, 1994	See Article IV of Chapter 58 of the City Code
July 1, 1994 – September 5, 2005	\$10.00
September 6, 2005 – September 3, 2007	\$15.00
September 4, 2007	\$20.00

(b) **Amount to be Paid Upon Attainment of age 60 – Rule After July 1, 1992** The amount to be paid by Employer for Retiree Medical Coverage for an eligible Retiree and his eligible Spouse after the Retiree attains or would have attained age 60 shall be the benefit amount set forth in the following table:

<u>Most Recent Date of Hire</u>	<u>Benefit Amount</u>
On or before June 30, 2005	Full cost
On or after July 1, 2005	24% of the cost, plus an additional 4% of the cost for each Year of

Credited Service earned by the Retiree after 10 Years of credited Service, up to the full cost

Payment under this subsection shall begin with the first month following the month in which the Retiree attains or would have attained age 60.

(c) **Amount to be Paid Upon Attainment of Age 60 – Rule Before July 2, 1991** For Retirees who began to receive a monthly pension benefit from the Defined Benefit Plan on or before July 1, 1991, the amount to be paid by Employer is set forth in Articles II and IV of Chapter 58 of the City Code.

2. Date Payments Begin

(a) **Participants in the Defined Benefit Plan** For an eligible Retiree who was a participant in the Defined Benefit Plan on the date of his termination of employment and the Retiree's eligible Spouse, Employer shall pay its share of the cost of Retiree Medical Coverage for an eligible Retiree and the Retiree's eligible Spouse beginning with the month in which the Retiree begins receiving a monthly pension benefit from the Defined Benefit Plan.

(b) **Participants in the Defined Contribution Plan** For an eligible Retiree who was a participant in the Defined Contribution Plan and the Retiree's eligible Spouse, Employer shall pay its share of the cost of Retiree Medical Coverage beginning with the month in which, if the Retiree were a participant in the Defined Benefit Plan, the Retiree would qualify for and begin to receive a temporary disability benefit (other than a duty disability benefit), early retirement benefit, normal retirement benefit or deferred vested benefit from the Defined Benefit Plan, based on his age and his Years of Credited Service as of the date of his termination of employment.

3. Date Payments End

For the time period before July 1, 1992, Employer's payment of any portion of the cost for Retiree Medical Coverage for the Retiree and the Retiree's Spouse ended upon the Retiree's attainment of age 65. Effective as of July 1, 1992, Employer shall pay its share of the cost of Retiree Medical Coverage for an eligible Retiree for the Retiree's life and it shall pay its share of the cost of Retiree Medical Coverage for the Retiree's eligible Spouse for the life of the Spouse.

**Schedule E
to the
City of Wyoming
Retiree Medical Trust and Benefit Policy**

Police ECO Benefit Group

1. Employer Contributions to the Cost of Retiree Medical Coverage

Employer shall pay all or a portion of the cost of Retiree Medical Coverage for an eligible Retiree who did not participate in the PEHP and his eligible Spouse as described in this Section. Employer shall not pay any portion of the cost of Retiree Medical Coverage for a Retiree and his eligible Spouse if the Retiree participated in the PEHP or was hired on or after November 5, 2007.

(a) **Amount to be Paid Through Age 60** The amount to be paid for Retiree Medical Coverage for an eligible Retiree and his eligible Spouse for the period before the Retiree attains or would have attained age 60 shall be the benefit amount set forth in the following table, multiplied by the Retiree's Years of Credited Service, up to a maximum of 25 years:

<u>Effective Date</u>	<u>Benefit Amount</u>
Before July 1, 1989	See Article II of Chapter 58 of the City Code
Before July 3, 1995	See Article IV of Chapter 58 of the City Code
July 2, 1995 – July 1, 2004	\$10.00
July 2, 2004 – July 1, 2007	\$15.00
July 2, 2007	\$20.00

(b) **Amount to be Paid Upon Attainment of Age 60** Eligible Retirees who terminate employment with Employer on and after July 1, 2004, shall receive all or a portion of the cost of Retiree Medical Coverage for the Retiree and the Retiree's eligible Spouse according to the following formula:

(1) Beginning with the month in which the Retiree attains or would have attained age 60, Retirees who have completed at least 10 Years of Credited Service shall receive 24% of the cost of the premium for the Retiree and the Retiree's Spouse; and

(2) For each additional year of service credited to the Retiree after 10 Years of Credited Service, the Retiree shall receive an additional 4% per year of the cost of the premium for the Retiree and the Retiree's Spouse, up to a

maximum contribution of 100% of the cost of the premium for the Retiree and the Retiree's Spouse.

Eligible Retirees who terminated employment before July 1, 2004, shall receive all or a portion of the cost of Retiree Medical Coverage for the Retiree and the Retiree's eligible Spouse under the schedule set forth in subsection (a) of this Section.

2. Date Payments Begin

(a) **Participants in the Defined Benefit Plan** For an eligible Retiree who was a participant in the Defined Benefit Plan on the date of his termination of employment and the Retiree's eligible Spouse, Employer shall pay its share of the cost of Retiree Medical Coverage beginning with the month in which the Retiree begins to receive a monthly pension benefit from the Defined Benefit Plan on and after the attainment of age 55. However, the age 55 requirement shall be waived for Retirees receiving a temporary disability benefit from the Defined Benefit Plan.

(b) **Participants in the Defined Contribution Plan** For an eligible Retiree who was a participant in the Defined Contribution Plan and the Retiree's eligible Spouse, Employer will pay its portion of the cost of Retiree Medical Coverage beginning with the month in which, if the Retiree were a participant in the Defined Benefit Plan, the Retiree would qualify for and begin to receive a receive a temporary disability benefit (other than a duty disability benefit), early retirement benefit, normal retirement benefit or deferred vested benefit from the Defined Benefit Plan on and after attainment of age 55, based on his age and his Years of Credited Service as of the date of his termination of employment.

3. Date Payments End

Employer's payment of any portion of the cost of Retiree Medical Coverage for an eligible Retiree and the Retiree's eligible Spouse ends upon the last day of the month in which the Retiree attains or would have attained age 65.

**Schedule F
to the
City of Wyoming
Retiree Medical Trust and Benefit Policy**

Fire Benefit Group

1. Employer Contributions to the Cost of Retiree Medical Coverage

Employer shall pay all or a portion of the cost of Retiree Medical Coverage for an eligible Retiree who did not participate in the PEHP and his eligible Spouse as described in this Section. Employer shall not pay any portion of the cost of Retiree Medical Coverage for a Retiree and his eligible Spouse if the Retiree participated in the PEHP or was hired on or after October 1, 2009.

(a) **Amount to be Paid Through Age 60** The amount to be paid by Employer for Retiree Medical Coverage for an eligible Retiree and his eligible Spouse for the period before the Retiree attains or would have attained age 60 shall be the benefit amount set forth in the following table, multiplied by the Retiree's Years of Credited Service, up to a maximum of 25 years (30 years effective as of July 1, 1990):

<u>Effective Date</u>	<u>Benefit Amount</u>
Before July 1, 1989	See Article II of Chapter 58 of the City Code
Before July 1, 1992	See Article IV of Chapter 58 of the City Code
July 1, 1992 – June 30, 1995	\$8.00
July 1, 1995 – September 5, 2005	\$10.00
September 6, 2005 – October 1, 2009	\$15.00
October 2, 2009	\$20.00

(b) **Amount to be Paid Upon Attainment of Age 60 – Rule After July 1, 1992** The amount to be paid by Employer for Retiree Medical Coverage for an eligible Retiree and his eligible Spouse after the Retiree attains or would have attained age 60 shall be the benefit amount set forth in the following table:

<u>Most Recent Date of Hire</u>	<u>Benefit Amount</u>
On or before June 30, 2005	Full cost
On or after July 1, 2005	24% of the cost, plus an additional 4% of the cost for each Year of Credited Service earned by the Retiree after 10 Years of Credited Service, up to the full cost

Payment under this subsection shall begin with the first month following the month in which the Retiree attains or would have attained age 60.

(c) **Amount to be Paid Upon Attainment of Age 60 – Rule Before July 2, 1992** For Retirees who began to receive a monthly pension benefit from the Defined Benefit Plan on or before July 1, 1991, the amount to be paid by Employer is set forth in Articles II and IV of Chapter 58 of the City Code.

2. Date Payments Begin

(a) **Participants in the Defined Benefit Plan** For an eligible Retiree who was a participant in the Defined Benefit Plan on the date of his termination of employment and the Retiree’s eligible Spouse, Employer shall pay its share of the cost of Retiree Medical Coverage beginning with the month in which the Retiree begins to receive a monthly pension benefit from the Defined Benefit Plan.

(b) **Participants in the Defined Contribution Plan** For an eligible Retiree who was a participant in the Defined Contribution Plan and the Retiree’s eligible Spouse, Employer will pay its portion of the cost of Retiree Medical Coverage beginning with the month in which, if the Retiree were a participant in the Defined Benefit Plan, the Retiree would qualify for and begin to receive a receive a temporary disability benefit (other than a duty disability benefit), early retirement benefit, normal retirement benefit or deferred vested benefit from the Defined Benefit Plan, based on his age and his Years of Credited Service as of the date of his termination of employment.

3. Date Payments End

For the time period before July 1, 1992, Employer’s payment of any portion of the cost of Retiree Medical Coverage for the Retiree and the Retiree’s Spouse ended upon the Retiree’s attainment of age 65. Effective as of July 1, 1992, Employer shall pay its share of the cost of Retiree Medical Coverage for an eligible Retiree for the Retiree’s life and it shall pay its share of the cost of Retiree Medical Coverage for the Retiree’s eligible Spouse for the life of the Spouse.

**Schedule G
to the
City of Wyoming
Retiree Medical Trust and Benefit Policy**

Administrative Contract Employees Benefit Group

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

CITY OF WYOMING
POST EMPLOYMENT HEALTH PLAN
(Restated effective as of July 1, 2011)

Prepared by:
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CITY OF WYOMING
POST EMPLOYMENT HEALTH PLAN

Article 1

Establishment of the Post Employment Health Plan

1.1 This Document

The City of Wyoming established the City of Wyoming Post Employment Health Plan (“PEHP”) to provide a funding vehicle for retiree health benefits. This document sets forth the terms and conditions under which Employer will make contributions to the PEHP Trust Fund on behalf of eligible Employees.

The City has entered into an agreement with a Benefit Administrator to provide the funding vehicle(s) in which contributions to the PEHP are invested. That agreement also governs the terms and conditions under which Participants may receive benefits from the PEHP.

This document and the agreement with the Benefit Administrator, together constitute the PEHP document.

1.2 Effective Date

This document governs the terms and conditions under which the City will make contributions to the PEHP as of July 1, 2011.

1.3 Effect on Retiree Medical Coverage

An Employee or former Employee who is a Participant in the PEHP shall be eligible for Employer-provided retiree medical coverage as set forth in the City of Wyoming Retiree Medical Trust and Benefit Policy, but shall be required to pay 100% of the cost of that coverage.

Article 2

Definitions

The following terms and phrases, when used in the PEHP, shall have the meaning 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 this document unless otherwise stated.

2.1 Benefit Administrator

“Benefit Administrator” means the entity that provides the funding vehicle(s) in which contributions to the PEHP are invested and which provides administrative services with respect to the PEHP.

2.2 Benefit Group

“Benefit Group” has the same meaning as under the Defined Contribution Plan, and the definition of the term “Benefit Group” as set forth in Article 2 of the Defined Contribution Plan is incorporated into this document by reference.

2.3 Calendar Year

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

2.4 City

“City” means the City of Wyoming, Michigan.

2.5 Collective Bargaining Agreement

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

2.6 Compensation

“Compensation” has the same meaning as under the Defined Contribution Plan, and the definition of the term “Compensation” as set forth in Article 2 of the Defined Contribution Plan is incorporated into this document by reference.

2.7 Date of Employment

“Date of Employment” means the date on which an Employee performs his first Hour of Service for Employer. For this purpose the term “Hour of Service” has the same meaning as under the Defined Contribution Plan and the definition of “Hour of Service” as set forth in Article 2 of the Defined Contribution Plan is incorporated into this document by reference.

2.8 Employee

“Employee” means any person who is a common law employee of Employer.

2.9 Employer

“Employer” has the same meaning as under the Defined Contribution Plan and the definition of the term “Employer” as set forth in Article 2 of the Defined Contribution Plan is incorporated into this document by reference.

2.10 Participant

“Participant” means an Employee or former Employee who has met the requirements for participation in the PEHP and who is eligible to receive benefits under the terms of the PEHP.

2.11 PEHP

“PEHP” means the City of Wyoming Post Employment Health Plan.

2.12 PEHP Trust Fund

“PEHP Trust Fund” means the Post Employment Health Plan Trust which is described in a separate trust document.

2.13 Plan Year

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

2.14 Separate PEHP Documentation

“Separate PEHP Documentation” means the agreement(s) the City has adopted with the Benefit Administrator to provide the funding vehicle(s) in which contributions to the PEHP are invested and which govern the terms and conditions under which Participants may receive benefits from the PEHP.

2.15 Union

“Union” has the same meaning as under the Defined Contribution Plan and the definition of the term “Union” as set forth in Article 2 of the Defined Contribution Plan is incorporated into this document by reference.

Article 3

Establishment of Post Employment Health Plan Trust Fund

The City established the PEHP Trust Fund for the purpose of holding and investing Employer contributions to the PEHP. The provisions of the PEHP Trust Fund are set forth in a separate document.

Article 4

Eligibility

An Employee shall be eligible to participate in the PEHP as provided in this Article.

4.1 Administrative and Supervisory Benefit Group and Administrative Contract Benefit Group

An Employee who is a member of the Administrative and Supervisory Benefit Group or the Administrative Contract Benefit Group shall become a Participant in the PEHP as follows:

(a) Each Employee whose initial Date of Employment is on or after July 2, 2007, shall become a Participant in the PEHP on the Employee's Date of Employment.

(b) Each Employee whose initial Date of Employment was in July 2006 and who was classified as a senior accountant on July 1, 2008, became a Participant in the PEHP as of July 1, 2008.

(c) Each Employee whose initial Date of Employment was in January 2005 and who was classified as a recreation programmer I on July 1, 2008, became a Participant in the PEHP as of July 1, 2008.

An Employee who is a member of the Administrative and Supervisory Benefit Group or the Administrative Contract Benefit Group who is not described in subsection (a), (b) or (c) is ineligible to participate in the PEHP.

4.2 Police Nonsupervisory Benefit Group

An Employee who is a member of the Police Nonsupervisory Benefit Group shall become a Participant in the PEHP as follows:

(a) Each Employee whose initial Date of Employment is on or after September 4, 2007, shall become a Participant in the PEHP on the Employee's Date of Employment.

(b) Each Employee whose initial Date of Employment was in December 2005 and who was classified as a police officer became a Participant in the PEHP as of July 1, 2008.

An Employee who is a member of the Police Nonsupervisory Benefit Group who is not described in subsection (a) or (b) is ineligible to participate in the PEHP.

4.3 Police ECO Benefit Group

An Employee who is a member of the Police ECO Benefit Group shall become a Participant in the PEHP as follows:

(a) Each Employee whose initial Date of Employment is on or after November 5, 2007, shall become a Participant in the PEHP on the Employee's Date of Employment.

(b) Each Employee whose initial Date of Employment was between October 1, 2006, and January 31, 2007, who was classified as an ECO, on July 1, 2008, became a Participant in the PEHP as of July 1, 2008.

An Employee who is a member of the Police ECO Benefit Group who is not described in subsection (a) or (b) is ineligible to participate in the PEHP.

4.4 Police Command Benefit Group

An Employee who is a member of the Police Command Benefit Group whose initial Date of Employment is on or after July 1, 2008, shall become a Participant in the PEHP on the Employee's Date of Employment. All other members of the Police Command Benefit Group are ineligible to participate in the PEHP.

4.5 General Benefit Group

An Employee who is a member of the General Benefit Group whose initial Date of Employment is on or after July 1, 2009, shall become a Participant in the PEHP on his Date of Employment. All other members of the General Benefit Group are ineligible to participate in the PEHP.

4.6 Fire Benefit Group

An Employee who is a member of the Fire Benefit Group whose initial Date of Employment is on or after October 1, 2009, shall become a Participant in the PEHP on his Date of Employment. All other members of the Fire Benefit Group are ineligible to participate in the PEHP.

Article 5

Contributions

5.1 Bi-Weekly Employer Contributions

For each Plan Year Employer shall make a contribution to the PEHP Trust Fund on behalf of each Participant on a bi-weekly, payroll period basis. The amount of the bi-weekly contribution for a Plan Year shall be determined as follows:

(a) **Administrative and Supervisory Benefit Group** For each Participant who is a member of the Administrative and Supervisory Benefit Group, the amount of the bi-weekly contribution shall be the amount set forth in the Collective Bargaining Agreement for the Administrative and Supervisory Benefit Group, which is incorporated into this document by reference.

(b) **Administrative Contract Benefit Group** For each Participant who is a member of the Administrative Contract Benefit Group, the amount of the bi-weekly contribution shall be equal to the contribution made for Participants in the PEHP who are members of the Administrative and Supervisory Benefit Group.

(c) **Police Nonsupervisory Benefit Group** For each Participant who is a member of the Police Nonsupervisory Benefit Group, the amount of the bi-weekly contribution shall be equal to the amount set forth in the Collective Bargaining Agreement for the Police Nonsupervisory Benefit Group, which is incorporated into this document by reference.

(d) **Police ECO Benefit Group** For each Participant who is a member of the Police ECO Benefit Group, the amount of the bi-weekly contribution shall be the amount set forth in the Collective Bargaining Agreement for the Police ECO Benefit Group, which is incorporated into this document by reference.

(e) **Police Command Benefit Group** For each Participant who is a member of the Police Command Benefit Group, the amount of the bi-weekly contribution shall be the amount set forth in the Collective Bargaining Agreement for the Police Command Benefit Group, which is incorporated into this document by reference.

(f) **General Benefit Group** For each Participant who is a member of the General Benefit Group, the amount of the bi-weekly contribution shall be the amount set forth in the Collective Bargaining Agreement for the General Benefit Group, which is incorporated into this document by reference.

(g) **Fire Benefit Group** For each Participant who is a member of the Fire Benefit Group, the amount of the bi-weekly contribution shall be the amount set forth in the Collective Bargaining Agreement for the Fire Benefit Group, which is incorporated into this document by reference.

5.2 Initial Contribution for Certain Employees

The City shall make a one-time initial contribution to the PEHP Trust Fund for each Employee who becomes a Participant in the PEHP as of July 1, 2008, under Section 4.1(b), 4.1(c), 4.2(b) and 4.3(b). The amount of the initial contribution shall be equal to 4% of the Employee's Compensation during the 2004, 2005, 2006 and 2007 Calendar Years, if any, plus hypothetical investment earnings equal to 4% per year. Hypothetical investment earnings shall be calculated as if the initial contribution had been made in four installments as of June 30, 2005, June 30, 2006, June 30, 2007 and June 30, 2008, based on the Employee's Compensation earned during the immediately prior Calendar Year.

5.3 Vesting

Participants shall always be 100% vested in contributions made to the PEHP on their behalf.

Article 6

Payment of Benefits

A Participant is eligible to receive benefits from the PEHP to reimburse certain qualifying medical expenses incurred by the Participant or his eligible dependents after the Participant terminates employment with Employer. The specific benefit provisions are set forth in the Separate PEHP Documentation.

Article 7

Amendment and Termination

The City reserves the right to amend the PEHP at any time, to the extent permitted by any applicable Collective Bargaining Agreement.

Employer reserves the right to cease contributions to the PEHP at any time, to the extent permitted by any applicable Collective Bargaining Agreement. If Employer ceases all contributions to the PEHP, the Separate PEHP Documentation shall control payment of benefits until all contributions made for eligible Employees are exhausted.

Article 8

Miscellaneous Provisions

8.1 Construction

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

8.2 Governing Law

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

Signature

The City has signed the City of Wyoming Post Employment Health Plan this
_____ day of _____, 2011.

CITY OF WYOMING

By _____

Its _____

RESOLUTION NO. _____

RESOLUTION TO AUTHORIZE THE MAYOR AND CITY CLERK TO
EXECUTE AN AGREEMENT WITH THE MICHIGAN DEPARTMENT OF
TRANSPORTATION FOR THE WIDENING OF GEZON PARKWAY
FROM WELLER COURT TO 56TH STREET

WHEREAS, the City of Wyoming proposes to widen Gezon Parkway from Weller Court to 56th Street due to the Gordon Foods Service (GFS) headquarters relocation in the summer of 2011, and

WHEREAS, said project includes removing the existing curb and gutter, widening the road to a five-lane cross-section, and constructing deceleration lanes at three drive approaches, and

WHEREAS, Wyoming will receive partial funding from Michigan Department of Transportation (MDOT) for the Gezon Parkway improvements and Wyoming will enter into a development agreement with Gordon Foods Service for the remaining funds, and

WHEREAS, MDOT has prepared the attached City-State Agreement for said project, identifying the costs and obligations of each respective party, and

WHEREAS, the requesting party's share of this project will be financed by GFS but accounted for in the Capital Improvement Program Fund; now, therefore,

BE IT RESOLVED that the City Council hereby authorizes the Mayor and City Clerk to execute the attached Agreement with MDOT for the widening of Gezon Parkway from Weller Court to 56th Street in the City of Wyoming.

Councilmember _____ moved, seconded by Councilmember _____, that the above Resolution be adopted.

Motion Carried: _____ Yeas, _____ Nays.

I hereby certify that the foregoing Resolution was adopted by the City Council for the City of Wyoming, Michigan at a regular session held on the 18th day of July, 2011.

HEIDI A. ISAKSON
Wyoming City Clerk

Attachments: Agreement

Resolution No. _____

TED (A)
NON FED

CAB
Control Section EDA 41522
Job Number 113928
Contract No. 11-5456

THIS CONTRACT is made and entered into this date of _____, by and between the MICHIGAN DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "DEPARTMENT;" and the CITY OF WYOMING, a Michigan municipal corporation, hereinafter referred to as the "REQUESTING PARTY;" for the purpose of fixing the rights and obligations of the parties in agreeing to the following improvements, in the City of Wyoming, Michigan, hereinafter referred to as the "PROJECT" and estimated in detail on EXHIBIT "I," dated June 22, 2011, attached hereto and made a part hereof:

Reconstruction work along Gezon Parkway from Weller Court to 56th Street; and all together with necessary related work.

WITNESSETH:

WHEREAS, the State of Michigan is hereinafter referred to as the "State;" and

WHEREAS, the PROJECT has been approved for financing in part with funds from the State appropriated to the Transportation Economic Development Fund, hereinafter referred to as "TED FUNDS," qualifies for funding pursuant to PA 231, Section 11(3)(a); Public Act of 1987, as amended, and is categorized as:

CATEGORY "A" FUNDED PROJECT

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the PROJECT work and desire to set forth this understanding in the form of a written contract.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, it is agreed:

1. The parties hereto shall undertake and complete the PROJECT in accordance with the terms of this contract.
2. The term "PROJECT COST," as herein used, is hereby defined as the cost of the physical construction necessary for the completion of the PROJECT.

The costs incurred by the REQUESTING PARTY for preliminary engineering, construction engineering and inspection, and right-of-way are excluded from the PROJECT COST as defined by this contract.

3. The DEPARTMENT is authorized by the REQUESTING PARTY to perform, at no cost to the PROJECT, such administration of the PROJECT covered by this contract as is necessary to assist the REQUESTING PARTY to qualify for funding. Such administration may include performing such review, legal, financing, any other PROJECT related activities as are necessary to assist the REQUESTING PARTY in meeting applicable State requirements.

The DEPARTMENT shall provide the REQUESTING PARTY with a notice to proceed with the award of the construction contract for the PROJECT.

The DEPARTMENT shall make a final acceptance inspection of the PROJECT as necessary to ensure the PROJECT meets State requirements. Failure to comply with State requirements may result in forfeiture of future distributions of the Michigan Transportation Fund as described in Section 6. No charges will be made by the DEPARTMENT to the PROJECT for any inspection work or construction engineering.

4. The REQUESTING PARTY, under the terms of this contract, shall advertise and award the PROJECT work in accordance with the following:

- A. The REQUESTING PARTY will, at no cost to the DEPARTMENT or the PROJECT, design, or cause to be designed, the PROJECT, and shall accept full responsibility for that design. Any review undertaken by the DEPARTMENT is for its own purposes and is not to nor does it relieve the REQUESTING PARTY of liability for any claims, causes of action or judgments arising out of the design of the PROJECT.
- B. The REQUESTING PARTY, hereby, certifies to the DEPARTMENT that the plans, specifications, and estimates for the PROJECT have been prepared in compliance with applicable State laws, local ordinances, and State and local standards and regulations.
- C. The REQUESTING PARTY, hereby, certifies to the DEPARTMENT that the contracting procedures to be followed by the REQUESTING PARTY in connection with the solicitation of the construction contract for the PROJECT shall be based on an open competitive bid process. It is understood that the proposal for the PROJECT shall be publicly advertised and the contract awarded on the basis of the lowest responsive and responsible bid in accordance with applicable State statutes, local ordinances, and State and local regulations.

- (1) The REQUESTING PARTY shall not award the construction contract prior to receipt of a notice to proceed from the DEPARTMENT.
- (2) Upon verification that contractor selection by the REQUESTING PARTY was made in accordance with the terms of this contract and upon receipt of the "Request for Payment" form from the REQUESTING PARTY, the DEPARTMENT will authorize payment to the REQUESTING PARTY for the eligible amount in accordance with Section 5.

D. The REQUESTING PARTY will, at no cost to the PROJECT or the DEPARTMENT, comply with all applicable State statutes, local ordinances, and State and local regulations, including, but not limited to, those specifically relating to construction contract administration and obtain all permits and approvals with railway companies, utilities, concerned State, Federal, and local agencies, etc., and give appropriate notifications as may be necessary for the performance of work required for the PROJECT.

The REQUESTING PARTY agrees to comply with all applicable requirements of Part 91, Soil Erosion and Sedimentation Control of the Natural Resources and Environmental Protection Act, 1994 PA 451 as amended by 1995 PA 60 and 1996 PA 173, MCL 324.9101 et. seq., for all PROJECT work performed under this contract, and the REQUESTING PARTY shall require its contractors and subcontractors to comply with the same.

E. All work in connection with the PROJECT shall be performed in conformance with the DEPARTMENT'S current Standard Specifications for Construction, special provisions, and the supplemental specifications and plans pertaining to the PROJECT. All materials furnished and used in the construction of the PROJECT shall conform to the aforesaid specifications. Any changes in the scope of work for the PROJECT will require approval by the DEPARTMENT.

F. The REQUESTING PARTY shall, at no cost to the PROJECT or to the DEPARTMENT, appoint a project engineer who shall administer the PROJECT and ensure that the plans and specifications are followed, and shall perform or cause to be performed the construction engineering and inspection services necessary for the completion of the PROJECT.

Should the REQUESTING PARTY elect to use consultants for construction engineering and inspection, the REQUESTING PARTY shall

provide a full-time project manager employed by the REQUESTING PARTY who shall ensure that the plans and specifications are followed.

G. The REQUESTING PARTY shall require the contractor who is awarded the contract for the construction of the PROJECT to provide, as a minimum, insurance in the amounts specified in and in accordance with the DEPARTMENT'S current Standard Specifications for Construction, and to:

- (1) Maintain bodily injury and property damage insurance for the duration of the PROJECT.
- (2) Provide owner's protective liability insurance naming as insureds the State of Michigan, the Michigan State Transportation Commission, the DEPARTMENT and its officials, agents and employees, the REQUESTING PARTY and any other party with jurisdiction for the roadway being constructed as the PROJECT, and their employees, for the duration of the PROJECT and to provide copies of certificates of insurance to the insureds. It is understood that the DEPARTMENT does not assume either ownership of any portion of the PROJECT or jurisdiction of any REQUESTING PARTY highway as a result of being named as an insured on the owner's protective liability insurance policy.
- (3) Comply with the requirements of notice of cancellation and reduction of insurance set forth in the current Standard Specifications for Construction and to provide copies of notices and reports prepared to those insured.

5. The PROJECT COST shall be met in part by contributions by TED FUNDS. TED FUNDS Category A shall be applied to the eligible items of the PROJECT COST up to an amount not to exceed the lesser of: (1) 91 percent of the approved and responsible low bid amount, or (2) \$349,852. The balance, if any, of the PROJECT COST, after deduction of TED FUNDS, is the sole responsibility of the REQUESTING PARTY.

The REQUESTING PARTY shall be responsible for the payment of all costs and expenses incurred in the performance of PROJECT work.

Based upon the final cost of the PROJECT, the final costs included in the grant, and/or a request by the REQUESTING PARTY, a payment adjustment may be initiated and/or authorized by the DEPARTMENT for eligible items of the PROJECT COST such that the total amount of TED FUNDS does not exceed \$349,852. The grant includes those activities of preliminary engineering, right-of-way acquisition, construction, and construction engineering related to the grant. The REQUESTING PARTY shall certify all actual costs incurred for work performed

under this contract that are eligible for payment with TED FUNDS and will be required to repay any TED FUNDS it received in excess of 91 percent of the total of such costs.

6. The REQUESTING PARTY shall establish and maintain adequate records and accounts relative to the cost of the PROJECT. Said records shall be retained for a period of three (3) years after completion of construction of the PROJECT and shall be available for audit by the DEPARTMENT. In the event of a dispute with regard to allowable expenses or any other issue under this contract, the REQUESTING PARTY shall continue to maintain the records at least until that dispute has been finally decided and the time after all available challenges or appeals of that decision has expired.

The DEPARTMENT, or its representative, may inspect, copy, or audit the records at any reasonable time after giving reasonable notice.

The REQUESTING PARTY, within six (6) months of completion of the PROJECT and payment of all items of PROJECT COST related thereto, shall make a final reporting of construction costs to the DEPARTMENT and certify that the PROJECT has been constructed in accordance with the PROJECT plans, specifications, and construction contract.

In the event that an audit performed by or on behalf of the DEPARTMENT indicates an adjustment to the costs reported under this contract or questions the allowability of an item of expense, the DEPARTMENT shall promptly submit to the REQUESTING PARTY a Notice of Audit Results and a copy of the audit report which may supplement or modify any tentative findings verbally communicated to the REQUESTING PARTY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the REQUESTING PARTY shall: (a) respond in writing to the responsible Bureau or the DEPARTMENT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense, and (c) submit to the DEPARTMENT a written explanation as to any questioned or no opinion expressed item of expense, hereinafter referred to as the "RESPONSE". The RESPONSE shall be clearly stated and provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the REQUESTING PARTY may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by the DEPARTMENT. The RESPONSE shall refer to and apply the language of the contract. The REQUESTING PARTY agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes the DEPARTMENT to finally disallow any items of questioned or no opinion expressed cost.

The DEPARTMENT shall make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If the DEPARTMENT determines that an overpayment has been made to the REQUESTING PARTY, the REQUESTING PARTY shall repay that amount to the

DEPARTMENT or reach agreement with the DEPARTMENT on a repayment schedule within thirty (30) days after the date of an invoice from the DEPARTMENT. If the REQUESTING PARTY fails to repay the overpayment or reach agreement with the DEPARTMENT on a repayment schedule within the thirty (30) day period, the REQUESTING PARTY agrees that the DEPARTMENT shall deduct all or a portion of the overpayment from any funds then or thereafter payable by the DEPARTMENT to the REQUESTING PARTY under this contract or any other agreement, or payable to the REQUESTING PARTY under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by the DEPARTMENT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The REQUESTING PARTY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest the DEPARTMENT'S decision only as to any item of expense the disallowance of which was disputed by the REQUESTING PARTY in a timely filed RESPONSE.

The REQUESTING PARTY shall comply with the Single Audit Act of 1984, P.L. 998-502 and applicable State laws and regulations relative to audit requirements.

7. Upon completion of construction of the PROJECT, the REQUESTING PARTY will cause to be enacted and enforced such ordinances or regulations as may be necessary to prohibit parking in the roadway right-of-way throughout the limits of the PROJECT.

8. The REQUESTING PARTY certifies that a) it is a person under 1995 PA 71 and is not aware of and has no reason to believe that the property is a facility as defined in MSA 13A.20101(1)(l); b) the REQUESTING PARTY further certifies that it has completed the tasks required by MCL 324.20126 (3)(h); MSA 13A.20126(3)(h); c) it conducted a visual inspection of property within the existing right of way on which construction is to be performed to determine if any hazardous substances were present; and at sites on which historically were located businesses that involved hazardous substances, it performed a reasonable investigation to determine whether hazardous substances exist. This reasonable investigation should include, at a minimum, contact with local, State and federal environmental agencies to determine if the site has been identified as, or potentially as, a site containing hazardous substances; d) it did not cause or contribute to the release or threat of release of any hazardous substance found within the PROJECT limits.

The REQUESTING PARTY also certifies that, in addition to reporting the presence of any hazardous substances to the Department of Environmental Quality, it has advised the DEPARTMENT of the presence of any and all hazardous substances which the REQUESTING PARTY found within the PROJECT limits, as a result of performing the investigation and visual inspection required herein. The REQUESTING PARTY also certifies that it has been unable to identify any entity who may be liable for the cost of remediation. As a result, the

REQUESTING PARTY has included all estimated costs of remediation of such hazardous substances in its estimated cost of construction of the PROJECT.

9. If, subsequent to execution of this contract, previously unknown hazardous substances are discovered within the PROJECT limits, which require environmental remediation pursuant to either State or federal law, the REQUESTING PARTY, in addition to reporting that fact to the Department of Environmental Quality, shall immediately notify the DEPARTMENT, both orally and in writing of such discovery. The DEPARTMENT shall consult with the REQUESTING PARTY to determine if it is willing to pay for the cost of remediation and to determine the eligibility, for reimbursement, of the remediation costs. The REQUESTING PARTY shall pay all costs associated with such remediation, including all delay costs of the contractor for the PROJECT. If the REQUESTING PARTY refuses to participate in the cost of remediation, the amount of TED FUNDS the REQUESTING PARTY received from Grant 1114 shall be forfeited back to the DEPARTMENT.

10. If State funds administered by the DEPARTMENT are used to pay the cost of remediating any hazardous substances discovered after the execution of this contract and if there is a reasonable likelihood of recovery, the REQUESTING PARTY, in cooperation with the Department of Environmental Quality and the DEPARTMENT, shall make a diligent effort to recover such costs from all other possible entities. If recovery is made, the DEPARTMENT shall be reimbursed from such recovery for the proportionate share of the amount paid by the DEPARTMENT and the DEPARTMENT shall credit such sums to the appropriate funding source.

11. The DEPARTMENT'S sole reason for entering into this contract is to enable the REQUESTING PARTY to obtain and use funds provided by the State.

Any and all approvals of, reviews of, and recommendations regarding contracts, agreements, permits, plans, specifications, or documents, of any nature, or any inspections of work by the DEPARTMENT pursuant to the terms of this contract are done to assist the REQUESTING PARTY in meeting program guidelines in order to qualify for available funds. Such approvals, reviews, inspections and recommendations by the DEPARTMENT shall not relieve the REQUESTING PARTY and the local agencies, as applicable, of their ultimate control and shall not be construed as a warranty of their propriety or that the DEPARTMENT is assuming any liability, control or jurisdiction.

The providing of recommendations or advice by the DEPARTMENT does not relieve the REQUESTING PARTY and the local agencies, as applicable, of their exclusive jurisdiction of the highway and responsibility under MCL 691.1402, MSA 3.996(102).

When providing approvals, reviews and recommendations under this contract, the DEPARTMENT is performing a governmental function, as that term is defined in MCL, 691.1401; MSA.3.996(101), which is incidental to the completion of the PROJECT.

12. The DEPARTMENT, by executing this contract, and rendering services pursuant to this contract, has not and does not assume jurisdiction of the highway, described as the PROJECT for purposes of MCL 691.1402; MSA 3.996(102). Exclusive jurisdiction of such highway for the purposes of MCL 691.1402; MSA 3.996(102) rest with the REQUESTING PARTY and other local agencies having respective jurisdiction.

13. The REQUESTING PARTY shall approve all of the plans and specifications to be used on the PROJECT and shall be deemed to have approved all changes to the plans and specifications when put into effect. It is agreed that ultimate responsibility and control over the PROJECT rests with the REQUESTING PARTY and local agencies, as applicable.

14. The REQUESTING PARTY agrees that the costs reported to the DEPARTMENT for this contract will represent only those items that are properly chargeable in accordance with this contract. The REQUESTING PARTY also certifies that it has read the contract terms and has made itself aware of the applicable laws, regulations, and terms of this contract that apply to the reporting of costs incurred under the terms of this contract.

15. In addition to any protection afforded by a policy of insurance, the REQUESTING PARTY agrees to indemnify and save harmless the State of Michigan, the Michigan State Transportation Commission, the DEPARTMENT and all officers, agents, and employees thereof:

- A. From any and all claims by persons, firms, or corporations for labor, materials, supplies or services provided to the REQUESTING PARTY in connection with the contract which the REQUESTING PARTY shall perform under the terms of this contract; and
- B. From any and all claims for injuries to, or death of, any and all persons, for loss of or damage to property, environmental damage, degradation, response and cleanup costs, and attorney fees or other related costs, arising out of, under, or by reason of the Agreement, including the design of the PROJECT, except claims resulting from the sole negligence or willful acts or omissions of said indemnitee, its agents or employees.

The DEPARTMENT shall not be subject to any obligations or liabilities by contractors of the REQUESTING PARTY or their subcontractors or any other person not a party to this contract without its specific consent and notwithstanding its concurrence in or approval of the award of any contract or subcontract or the solicitation thereof.

It is expressly understood and agreed that the REQUESTING PARTY shall take no action or conduct which arises either directly or indirectly out of its obligations, responsibilities, and duties under this contract, which results in claims being asserted against or judgments being imposed against the State of Michigan, the DEPARTMENT, and/or the Michigan State Transportation Commission.

In the event that the same occurs, for the purpose of this contract, it will be considered as a breach of this contract thereby giving the State of Michigan, the DEPARTMENT, and/or the Michigan State Transportation Commission a right to seek and obtain any necessary relief or remedy, including but not by way of limitation, a judgment for money damages.

16. In connection with the performance of PROJECT work under this contract the parties hereto (hereinafter in Appendix "A" referred to as the "contractor") agree to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts," as set forth in Appendix A, attached hereto and made a part hereof. The parties further covenant that they will comply with the Civil Rights Acts of 1964 being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 U.S.C. Sections 1971, 1975a-1975d, and 2000a-2000h-6, and will require similar covenants on the part of any contractor or subcontractor employed in the performance of this contract.

17. The REQUESTING PARTY and other local agencies, as applicable parties, understand and agree that the highway(s) or street(s) being improved under the terms of this agreement and funded with Transportation Economic Development Funds, shall not be subject to any restriction by local authorities in using certain commercial vehicles on such highway(s) or street(s). Such restrictions are in conflict with the basic concept of the Transportation Economic Development Program and Funding. The REQUESTING PARTY, by signing this agreement, agrees to obtain concurrence from other local governmental agencies within whose jurisdiction or control the highway(s) or street(s) are being improved.

18. This contract shall become binding on the parties hereto and of full force and effect upon the signing thereof by the duly authorized officials for the parties hereto and upon the adoption of the necessary resolution approving said contract and authorizing the signatures thereto of the respective officials of the REQUESTING PARTY, a certified copy of which resolution shall be attached to this contract; and with approval by the State Administrative Board.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

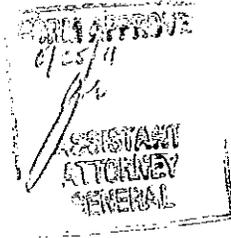
CITY OF WYOMING

MICHIGAN DEPARTMENT
OF TRANSPORTATION

By _____
Title:

By _____
Department Director MDOT

By _____
Title:



APPROVED AS TO FORM:

John Shute

RESOLUTION NO. _____

RESOLUTION TO ACCEPT A PROPOSAL
FROM JOHN HENRY, MAI
FOR APPRAISAL SERVICES

WHEREAS, the City of Wyoming's Assessor's Office appraises and values properties on a mass appraisal basis annually, and

WHEREAS, Ramblewood Apartments (North & South) appealed their assessment to the Michigan Tax Tribunal, and

WHEREAS, the Assessor's Office reviewed Ramblewood Apartments (North & South) objections and found that the original assessments seemed accurate, however due to the complex nature of this property, the Assessor's Office contacted fee appraisers to complete an up to date appraisal of the property, and

WHEREAS, John Henry, MAI, provided the City with a proposal in the amount of \$11,500.00 to complete the fee appraisal, in a timely fashion, which includes a more specific analysis of their income and sales comparables and consulting fees not to exceed \$1,500.00, and

WHEREAS, funds for the fee appraisal are available in the Assessors Office Budget, Account Number 101-209-20900-801000, now therefore

BE IT RESOLVED that the City Council does hereby authorize acceptance of the proposal from John Henry, MAI in the amount of \$11,500.00 for the fee appraisal and additional consulting fees not to exceed \$1,500.00.

Councilmember _____ moved, seconded by Councilmember _____ that the above Resolution be adopted.

Motion carried: ____ Yeas, ____ Nays.

I hereby certify that the foregoing Resolution was adopted by the City Council for the City of Wyoming, Michigan at a regular session held on the 18th day of July, 2011.

Heidi A. Isakson
Wyoming City Clerk

Resolution No. _____

MEMORANDUM

DATE: June 30, 2011

TO: Kim Oostindie, Human Resources Supervisor

FROM: Gene Vogan, Assessor
Tom Yore, Deputy Assessor

SUBJECT: Acceptance of a Proposal for Appraisal

Recently we have been notified that a Michigan Tax Tribunal Appeal case has had a Valuation Disclosure Date assigned. Given this circumstance and that this is for a major apartment complex (Ramblewood Apartments, North and South) in our City we want to defend the valuations, as accurately, as possible. Although we have appraised this on a Mass Appraisal basis, the Michigan Tax Tribunal, MTT, requires a formal, in-depth Appraisal; best provided by an impartial, well credentialed, third party, such as a Member of the Appraisal Institute, MAI.

We have selected an MAI qualified Appraiser who expressed an interest in performing an appraisal on this particular property within our timetable. John Henry, who did the last appraisal on this property, when it was under appeal years ago, is able and willing to undertake this project again, meeting our time constraints and performing the services for \$11,500.00 and additional consulting fees not to exceed \$1,500.00.

We would immediately like to enter into an agreement with him for these services.

RESOLUTION NO. _____

RESOLUTION TO AUTHORIZE SUPPORT SERVICES
FOR THE SCADA SYSTEM FROM TETRA TECH

WHEREAS, as detailed in the attached memorandum from the City's Clean Water Plant Superintendent, Tetra Tech provides support services for the Supervisory Control and Data Acquisition System (SCADA) at the Clean Water Plant and Drinking Water Plant, and

WHEREAS, it is recommended Tetra Tech continue to provided support services for the SCADA system, and

WHEREAS, funding for this service is available in account numbers 591-591-55300-930000 and 590-590-54300-806000, now therefore

BE IT RESOLVED, that the Wyoming City Council does hereby accept the proposal from Tetra Tech of Michigan, in an amount not to exceed \$10,000 for each Plant.

Councilmember _____ moved, seconded by Councilmember _____, that the above resolution be adopted.

Motion carried: _____ Yeas, _____ Nays.

I hereby certify that the foregoing Resolution was adopted by the City Council for the City of Wyoming, Michigan at a regular session held on the 18th day of July, 2011.

Attachments: Memorandum

Heidi A. Isakson
Wyoming City Clerk

MEMORANDUM

TO: Curtis Holt, Wyoming City Manager

FROM: Craig Smith, Clean Water Plant Superintendent

DATE: July 13, 2011

SUBJECT: Clean Water Plant SCADA System

The Supervisory Control And Data Acquisition (SCADA) systems at the Clean Water Plant and Drinking Water Plant are ever changing and evolving to meet strategic control demands for our respective treatment plants. Both Tom Schulz (Drinking Water Plant Support Analyst II) and I have been the ones taking the lead in seeing that these changes are done, however both Tom and I are planning to retire during the current fiscal year. While we have been training individuals in the IT department and Plant staff to take over these duties, there is still much to learn for them. So that we are assured of continued support in this area for the future, Jerry Caron and I would each like to issue a “not-to-exceed” blanket purchase order to Tetra Tech of Michigan, in the amount of \$10,000 for each plant.

Over the last 10 plus years, Tetra Tech has been used by the City and, in the case of major plant upgrades, by Instrumentation Integrators to do the programming for large projects. When they are called upon, Tetra Tech is also willing to allow City staff to sit down with them and use these times as training events. With your concurrence, I would like a resolution for this expenditure presented to City Council for their approval. Sufficient funds have been budgeted for this expense in the Drinking Water 591-591-55300-930000 and the Clean Water 590-590-54300-806000 accounts.

cc Bill Dooley, Director of Public Works
Jerry Caron, Drinking Water Plant Superintendent
Gail Sheppard, Director of IT

ORDINANCE NO. 6-11

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF WYOMING

THE CITY OF WYOMING ORDAINS that the following sections of Chapter 58 of the Code of the City of Wyoming (“Code”) be amended as follows in order to comply with recent changes to applicable law, the applicable collective bargaining agreements, and other sections of the Code. The changes set forth in this Ordinance shall be effective as of July 1, 2011.

Section 1: The definition of the term “actuarially equivalent” in Section 58-97 is amended as follows:

Actuarially equivalent or *actuarial equivalent* means equality in value of the aggregate amount of pension benefits to be received under different forms of payment. Actuarially equivalent benefits shall be determined based on the following actuarial assumptions:

- (1) If a member’s benefits are paid in a single lump sum payment during the period of July 1, 2001, through June 30, 2008, the actuarial equivalent of a single life annuity payable at normal retirement age shall be determined by using the applicable mortality table and the applicable interest rate under section 417(e)(3)(A) of the Internal Revenue Code.
 - a. The “applicable mortality table” means the mortality table prescribed by the Secretary of Treasury under section 417(e)(3)(A)(ii)(I) of the Internal Revenue Code. Effective December 31, 2002, the mortality table in Rev. Rul. 2001-62 shall be used.
 - b. The “applicable interest rate” is defined in section 417(e)(3)(A)(ii)(II) of the Internal Revenue Code for the month before the plan year in which the distribution is made. The applicable interest rate for that month shall be determined based upon guidance published in the Internal Revenue Bulletin.
- (2) If a member’s benefits are paid in a single lump sum payment during a plan year beginning on or after July 1, 2008, the actuarial equivalent of a single life annuity shall be equal to the amount determined by using the applicable mortality table and the applicable interest rate under section 417(e)(3) of the Internal Revenue Code for that plan year, as amended by the Pension Protection Act of 2006.
 - a. The “applicable mortality table” means the section 417(e)(3) mortality table prescribed by the Secretary of Treasury for the plan year of the distribution.

- b. The “applicable interest rate” means the annual rate of interest determined under section 417(e)(3) of the Internal Revenue Code for the month before the plan year in which the distribution is made.
- (3) For all other purposes under the defined benefit plan, 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 members in similar circumstances.

Section 2: Section 58-103(a)(3) is amended as follows:

- (3) The member died while employed by the city or, effective as of January 1, 2007, while on a leave of absence from the city to perform military service, and after satisfying the service requirement for his benefit group as set forth in the applicable schedule.

Section 3: The tenth sentence of Section 58-103(f) is amended as follows:

If an unmarried member who has satisfied the service requirement described in subsection (a)(3) of this section dies while employed by the city or, effective as of January 1, 2007, while on a leave of absence to perform qualified military service, but before signing and filing a beneficiary designation form with the board of trustees or if the beneficiary named in the unmarried member’s beneficiary designation form does not survive the unmarried member, the unmarried member’s nonspouse death benefit shall be the ten-year period certain and life annuity and 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.

Section 4: Section 58-103(g) is added as follows:

(g) *Rollover by non-spouse beneficiary.* To the extent permitted by the Pension Protection Act of 2006, a beneficiary who is not the member’s spouse shall be permitted to elect a direct rollover to a traditional individual retirement account of any death benefit payable to the beneficiary. Even though a direct rollover is permitted, the notice and tax withholding requirements described in subsection 58-105(e) do not apply before January 1, 2010.

Section 5: Section 58-105(a) is amended by adding the following:

Effective as of July 1, 2007, if the member or vested terminated member is younger than the later of normal retirement age or age 62 at the time he requests a distribution, the board of trustees shall provide the member or terminated vested member with a written description of the right to defer any distribution during the 180-day period before the distribution is made. The description shall include the consequences of failing to defer the receipt of benefit payments.

Section 6: Effective as of July 1, 2007, “90 days” shall replace “180 days” in Section 58-105(e).

Section 7: Effective as of July 1, 2008, Subsection 6. is added to section 58-105(e)(4)d. as follows:

6. A Roth individual retirement account under section 408A of the Internal Revenue Code.

Section 8: Section 58-106(b) is amended as follows:

(b) *Limit on annual benefits.* The annual pension benefit payable to a member from all defined benefit plans maintained by the city shall not exceed the limits contained in section 415 of the Internal Revenue Code, which is incorporated in the defined benefit plan by reference.

- (1) *Limit on annual benefit.* The annual benefit accrued by a member, and the annual benefit payable to a participant, shall not exceed \$195,000, as adjusted pursuant to section 415(d) of the Internal Revenue Code (the “section 415 dollar limit”).

(2) *Adjustments to section 415 dollar limit.*

- a. If the member’s annuity starting date occurs after the member attains age 62 and before the member attains age 65, no adjustment shall be made to the section 415 dollar limit that applies to the member.
- b. If a member’s annuity starting date occurs before the member attains age 62, the section 415 dollar limit shall be reduced for each month that benefits commence before the month in which the member attains age 62. The section 415 dollar limit at any age before age 62 is the lesser of:
 1. The section 415 dollar limit multiplied by a fraction in which the numerator is the annual benefit payable to the member as a single life annuity on the member’s annuity starting date and the denominator is the annual benefit payable to the member 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 Internal Revenue Code; or
 2. 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 member’s death between the member’s annuity starting date and age 62.
- c. If a member’s annuity starting date occurs after the member attains age 65, the section 415 dollar limit shall be increased for each month that benefits commence after the month in which the member attains age 65. The section 415 dollar limit at any age after age 65 is the lesser of:

1. The section 415 dollar limit multiplied by a fraction in which the numerator is the annual benefit payable to the member as a single life annuity on the member'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 member who is age 65 and has the same accrued benefit as the member (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 Internal Revenue Code; or
 2. 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 member's death between age 65 and the member's annuity starting date.
- (3) *Adjustments to limits based upon form of payment.* The limits under section 415 of the Internal Revenue Code are based upon payment in a single life annuity (i.e., an annuity for the lifetime of the member). 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 Internal Revenue Code shall be:
- a. If payment is made in a form other than a lump sum payment, the greater of:
 1. The annual amount of the single life annuity payable to the member under the defined benefit plan commencing on the same annuity starting date as the form of benefit payable to the participant; or
 2. 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 member, 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.
 - b. 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 member, computed using one of the following combinations of actuarial assumptions that results in the largest single life annuity:
 1. The applicable interest rate and mortality table (or tabular factor) specified in section 58-97 for adjusting benefits in the same form;

2. A 5.5 percent interest assumption and the applicable mortality table for the distribution under Treas. Reg. §1.417(e)-1(d)(2); or
3. 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.

For a benefit with an annuity starting date during plan years beginning in 2004 and 2005, the single life annuity shall be the greater of the amounts calculated in subsections (3)a.1. and 2. of this section.

Benefit increases resulting from the increases in the limitations of section 415(b) of the Internal Revenue Code shall be provided to each member who has an hour of service after December 31, 2001.

Section 9: Section 58-107(a) is amended as follows:

(a) *Accumulated employee contributions.* This section applies to participants and vested terminated participants who have made accumulated employee contributions to the defined benefit plan.

- (1) Accumulated employee contributions were made to the defined benefit plan for periods prior to July 2, 1978. Between July 3, 1978, and June 30, 2001, no employee contributions were required or permitted to be made to the defined benefit plan.
- (2) Effective July 1, 2001, as a condition of participation in the defined benefit plan, each member who is a member of the police nonsupervisory benefit group must contribute 3.59 percent of his compensation each year. Effective as of September 5, 2007, this percentage is 3.59 percent.
- (3) Effective as of the first full payroll period after September 6, 2005, as a condition of participation in the defined benefit plan, each member who is a member of the fire benefit group must contribute 4.0 percent of his compensation each year. Effective as of January 18, 2010, this percentage is 4.0 percent.
- (4) Effective September 1, 2008, as a condition of participation in the defined benefit plan, each member who is a member of the police command benefit group must contribute 3.59 percent of his compensation each year.

Section 10: Section 58-197 is amended by adding the following:

Effective for members retiring on or after July 1, 2007, who become members of this benefit group after July 1, 2007, the reduction in a member's retirement benefits for payment before age 60 shall be two-tenths of one percent for each month before age 60 the pension is to be paid, unless the member has at least 25 years of credited service in which case no reduction applies. In addition, no reduction applies for members who retire after July 1, 2007, who were members of this benefit group before July 1, 2007.

Section 11: Section 58-217 is amended by adding the following:

Effective for members who retire on or after September 1, 2008, “2.35” shall be replaced with “2.70” in the first sentence of this section.

Section 12: Section 58-218 is amended as follows:

For each member who was a member of this benefit group on or before July 1, 2008, who retires after July 1, 1992, and upon attaining age 60, the member’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.

Section 13: Section 58-230 is added as follows:

Sec. 58-230. Duty disability; special rules.

The following special rules shall apply to a member 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 member to engage in the essential functions of his current employment position with the city as a result of a physical or mental condition of the member.

(b) *Amount of monthly temporary disability pension benefit.* In no event shall the amount of the member’s monthly pension benefit be:

- (1) Less than 50 percent of the member’s average monthly compensation at the time of his total disability; or
- (2) More than 90 percent of the member’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 member shall receive a normal retirement benefit as follows:

- (1) The member’s normal retirement benefit shall be based upon the member’s actual years of credited service, plus the member shall receive years of credited service for the period of time the member was receiving a temporary disability benefit.
- (2) The member’s average monthly compensation shall mean the monthly average of the base earnings the member would have received during the 36 consecutive months immediately preceding his attainment of normal retirement age if the member was actively employed in the job classification the member held with the city immediately preceding his total disability.

- (3) The member's normal retirement benefit shall be paid in the form determined under section 58-105, and need not be the same form as the member's form of temporary disability benefit. However, if a member 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 city shall make any adjustments necessary to ensure that the new election shall not require the plan to provide increased benefits to the member (determined on the basis of actuarially equivalent value).

Section 14: Effective for members who retire on or after September 5, 2007, "2.5" shall be replaced by "2.70" in Section 58-247.

Section 15: Section 58-254 is added as follows:

Sec. 58-254. Disability: special rules.

The following special rules shall apply to a member 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.

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

(b) *Amount of monthly temporary disability pension benefit.* In no event shall the amount of the member's monthly pension benefit be:

- (1) Less than 50 percent of the member's average monthly compensation at the time of his total disability; or
- (2) More than 90 percent of the member'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 member shall receive a normal retirement benefit as follows:

- (1) The member's normal retirement benefit shall be based upon the member's actual years of credited service, plus the member shall receive years of credited service for the period of time the member was receiving a temporary disability benefit.
- (2) The member's average monthly compensation shall mean the monthly average of the base earnings the member would have received during the 36 consecutive months immediately preceding his attainment of normal retirement age if the member was actively employed in the job classification the member held with the city immediately preceding his total disability.
- (3) The member's normal retirement benefit shall be paid in the form determined under section 58-105, and need not be the same form as the member's form of temporary disability benefit. However, if a member 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 city shall make any adjustments necessary to ensure that the new election shall not require the defined benefit plan to provide increased benefits to the member (determined on the basis of actuarially equivalent value).

Section 16: Section 58-282 is amended by adding the following:

Effective for members of this benefit group who retire on and after June 30, 1998, "2.0" shall be replaced by "2.25." Effective for members of this benefit group who retire on and after June 30, 2010, "2.25" shall be replaced with "2.35."

Section 17: Section 58-311 shall be revised as follows:

Normal retirement age means the member has attained age 55 and completed at least ten years of credited service. However, effective as of September 7, 2005, "normal retirement age" means the member has attained age 50 and completed at least ten years of credited service.

Section 18: Section 58-312 is amended by adding the following:

Effective as of October 19, 2009, the accrued benefit for a member who dies between July 1, 2008, and January 17, 2010, and who was employed by the city on the date of his death shall be calculated using the benefit formula in effect as of January 18, 2010 (which is 2.35 percent multiplied by the member's years of credited service). The benefit being paid to the beneficiary of a member who died between July 1, 2008 and October 18, 2009 shall be increased for this change on a prospective basis only, starting with the November 1, 2009 benefit payment.

Section 19: Section 58-324 is added as follows:

Sec. 58-324. Duty disability; special rules.

For the time period before October 19, 2009, no special rules apply to members in the fire benefit group who experience a duty disability. The following special rules shall apply to a member who is a member of the fire benefit group who applies for a temporary disability benefit in a duty disability situation on or after October 19, 2009:

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

(b) *Amount of monthly temporary disability pension benefit.* In no event shall the amount of the member's monthly pension benefit be:

- (1) Less than 50 percent of the member's average monthly compensation at the time of his total disability; or
- (2) More than 90 percent of the member'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 member shall receive a normal retirement benefit as follows:

- (1) The member's normal retirement benefit shall be based upon the member's actual years of credited service, plus the member shall receive years of credited service for the period of time the member was receiving a temporary disability benefit.
- (2) The member's average monthly compensation shall mean the monthly average of the base earnings the member would have received during the 36 consecutive months immediately preceding his attainment of normal retirement age if the member was actively employed in the job classification the member held with the city immediately preceding his total disability.
- (3) The member's normal retirement benefit shall be paid in the form determined under section 58-105, and need not be the same form as the member's form of temporary disability benefit. However, if a member 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 city shall make any adjustments necessary to ensure that the new election shall not require the defined benefit plan to provide increased benefits to the member (determined on the basis of actuarially equivalent value).

Section 20: This Ordinance shall be in full force and effect on the _____ day of _____, 2011.

I hereby certify that the above-entitled Ordinance was adopted by the City of Wyoming at a _____ session of the City Council held on the _____ day of _____, 2011.

Heidi A. Isakson
Wyoming City Clerk

Ordinance No. 6-11

ORDINANCE NO. 7-11

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF WYOMING

THE CITY OF WYOMING ORDAINS that the following sections of Chapter 58 of the Code of the City of Wyoming (“Code”) be amended as follows in order to comply with recent changes to applicable law, the applicable collective bargaining agreements, and other sections of the Code.

The changes set forth in this Ordinance shall be effective as of July 1, 2011.

Section 1: Effective as of January 1, 2008, the following is added to the definition of the term “eligible rollover distribution” in Section 58-502:

- (5) A Roth individual retirement account under section 408A of the Internal Revenue Code.

Section 2: Effective as of July 1, 2007, Section 58-506(b) is deleted from the Code.

Section 3: Effective January 1, 2009, Section 58-506(b)(2).f is added as follows:

- f. Amounts paid to a participant after December 31, 2008, that constitute “differential wage payments,” as defined in section 3401(b) of the Internal Revenue Code, paid to a participant who is performing qualified military service while on active duty for a period of more than 30 days.

Section 4: Section 58-509(c) is amended by adding the following:

Effective as of January 1, 2007, an employee who dies while performing qualified military service shall be 100% vested in his accounts.

Section 5: Section 58-515(a)(1) is amended by adding the following:

Effective as of July 1, 2007, if the participant is younger than the later of normal retirement age or age 62 at the time he requests a distribution, the board of trustees (or its designee) shall provide the participant with a written description of the right to defer any distribution during the 180-day period before the distribution is made. The description shall include the consequences of failing to defer receipt of benefit payments.

Section 6: Section 58-515(a)(4)h. is added to the Plan as follows:

- h. The distribution is made to a participant who is a member of the police command benefit group, the police nonsupervisory benefit group, the police dispatchers benefit group, the fire benefit group or a member of any

other benefit group who is a “qualified public safety employee” under section 72(t)(10)(A) of the Internal Revenue Code and the distribution is made after August 17, 2006.

Section 7: Section 58-515(f)(4) is added to the Plan as follows:

- (4) *Rollover by nonspouse beneficiary.* Effective for distributions made on and after January 1, 2009, a beneficiary who is not the participant’s spouse shall be permitted to elect a direct rollover to an individual retirement account of any death benefit payable to the beneficiary. Even though a direct rollover is permitted, the notice and tax withholding requirements described in this section do not apply before January 1, 2010.

Section 8: Effective as of July 1, 2007, 180 days shall be substituted for 90 days in Section 58-515(f).

Section 9: Section 58-515(g)(5) is added to the Plan as follows:

- (5) *Special rule for 2009 calendar year.* Notwithstanding any other provision of the defined contribution plan, a participant or beneficiary who would have been required to receive required minimum distributions for 2009 but for the enactment of section 401(a)(9)(H) of the Internal Revenue Code (“2009 RMDs”), will not receive a 2009 RMD unless the participant or beneficiary chooses to receive a 2009 RMD. Participants and beneficiaries will be given the opportunity to elect to receive the 2009 RMD.

For purposes of the direct rollover provisions of the defined contribution plan, 2009 RMDs shall not be treated as eligible rollover distributions.

Section 10. Divisions 2 through 8 of Article V of Chapter 58 are revised as follows:

DIVISION 2. SCHEDULE A, GENERAL BENEFIT GROUP

Sec. 58-616. Normal retirement age.

Normal retirement age means the participant has attained age 60.

Sec. 58-617. Eligible employees.

(a) *Employees initially hired after February 6, 2006.* Members of this benefit group whose initial date of employment is after February 6, 2006, participate in the defined contribution plan.

(b) *Employees initially hired on or before February 5, 2006.* A member of this benefit group whose initial date of employment was on or before February 5, 2006, does not participate in the defined contribution plan unless one of the following exceptions applies:

- (1) *Certain re-hired employees.* An employee who had a severance from employment, was subsequently re-hired by the city on or after February 6, 2006, and did not have a deferred vested benefit under the defined benefit plan as of his reemployment date participates in the defined contribution plan as of the date provided in subsection 58-703.c.(1).
- (2) *Transfers from defined benefit plan.* An employee who made a timely election to cease accruals under the defined benefit plan and participate in the defined contribution plan under section 58-818 participates in the defined contribution plan as of the date provided in subsection 58-703.c.(2).

Sec. 58-618. Election to transfer from defined benefit plan.

(a) *General rule.* Effective as of July 1, 2010, members of this benefit group who participate in the defined benefit plan may not elect to transfer to the defined contribution plan.

(b) *Transfers through July 1, 2010.* Members of this benefit group who participate in the defined benefit plan may make an irrevocable election to cease accruals under the defined benefit plan and begin to participate in the defined contribution plan for purposes of receiving employer contributions as of July 1, 2006, July 1, 2007, July 1, 2008, July 1, 2009, or July 1, 2010.

An election to participate in the defined contribution plan as of July 1, 2006, must be made by June 15, 2006, using an election form provided by the city. An election to participate in the defined contribution plan as of July 1, 2007, July 1, 2008, July 1, 2009, or July 1, 2010, must be made by May 1 preceding the effective date of the election, using an election form provided by the city.

Sec. 58-619. Contribution amount.

The city shall contribute an amount equal to 8% of the participant's compensation. Effective as of October 19, 2009, for a participant who is receiving worker's compensation benefits and a differential payment equal to the difference between his net salary or wage and worker's compensation benefits, "compensation" includes the worker's compensation benefit and the differential payment, and the participant will receive an employer contribution based on those amounts as though the participant were actively working for the city.

Sec. 58-620. Eligibility for after-tax contributions.

Members of this benefit group are not eligible to make after-tax contributions to the defined contribution plan.

Secs. 58-621.--58-630. Reserved.

DIVISION 3. SCHEDULE B, ADMINISTRATIVE AND SUPERVISORY BENEFIT GROUP

Sec. 58-631. Normal retirement age.

Normal retirement age means the participant has attained age 55.

Sec. 58-632. Eligible employees.

(a) *Employees initially hired on and after September 6, 2005.* Members of this benefit group whose initial date of employment is on or after September 6, 2005, participate in the defined contribution plan.

(b) *Employees initially hired before September 6, 2005.* A member of this benefit group whose initial date of employment was before September 6, 2005, does not participate in the defined contribution plan unless one of the following exceptions applies:

- (1) *Certain re-hired employees.* An employee who had a severance from employment, was subsequently re-hired by the city on or after September 6, 2005, and did not have a deferred vested benefit under the defined benefit plan as of his reemployment date participates in the defined contribution plan as of the date provided in subsection 58-703.c.(1).
- (2) *Transfers from defined benefit plan.* An employee who made a timely election to cease accruals under the defined benefit plan and participate in the defined contribution plan under subsection 58-833 participates in the defined contribution plan as of the date provided in subsection 58-703.c.(2).

Sec. 58-633. Election to transfer from defined benefit plan.

Members of this benefit group who participate in the defined benefit plan may make an irrevocable election to cease accruals under the defined benefit plan and begin to participate in the defined contribution plan for purposes of receiving employer contributions as of July 1, 2006, or the first day of any subsequent plan year.

An election to participate in the defined contribution plan as of July 1, 2006, must be made by June 15, 2006, using an election form provided by the city. An election to participate in the defined contribution plan as of the first day of a subsequent plan year must be made by May 1 preceding the effective date of the election, using an election form provided by the city.

Sec. 58-634. Contribution amount.

The city shall contribute an amount equal to 8% of the participant's compensation.

Sec. 55-635. Eligibility for after-tax contributions.

Members of this benefit group are not eligible to make after-tax contributions to the defined contribution plan.

Secs. 58-636.--58-645. Reserved.

DIVISION 4. SCHEDULE C, POLICE COMMAND BENEFIT GROUP

Sec. 58-646. Normal retirement age.

Normal retirement age means the participant has attained age 50.

Sec. 58-647. Eligible employees.

(a) *Employees initially hired after February 20, 2006.* Members of this benefit group whose initial date of employment is after February 20, 2006, participate in the defined contribution plan.

(b) *Employees initially hired on or before February 20, 2006.* A member of this benefit group whose initial date of employment was on or before February 20, 2006, does not participate in the defined contribution plan unless one of the following exceptions applies:

- (1) *Certain re-hired employees.* An employee who had a severance from employment, was subsequently re-hired by the city on or after February 20, 2006, and did not have a deferred vested benefit under the defined benefit plan as of his reemployment date participates in the defined contribution plan as of the date provided in subsection 58-703.c.(1).
- (2) *Transfers from defined benefit plan.* An employee who made an irrevocable election to cease accruals under the defined benefit plan and participate in the defined contribution plan under section 58-848 participates in the defined contribution plan as of the date provided in subsection 58-703.c.(2).

Sec. 58-648. Election to transfer from defined benefit plan.

(a) *General rule.* Effective as of July 7, 2008, members of this benefit group who participate in the defined benefit plan may not elect to transfer to the defined contribution plan.

(b) *Transfers through July 1, 2008.* Members of this benefit group who participate in the defined benefit plan may make an irrevocable election to cease accruals under the defined benefit plan and begin to participate in the defined contribution plan for purposes of receiving employer contributions as of July 1, 2006, July 1, 2007, or July 1, 2008.

An election to participate in the defined contribution plan as of July 1, 2006, must be made by June 15, 2006, using an election form provided by the city. An election to participate in the defined contribution plan as of July 1, 2007, or July 1, 2008, must be made by May 1 preceding the effective date of the election, using an election form provided by the city.

Sec. 58-649. Contribution amount.

The city shall contribute an amount equal to 8% of the participant's compensation. Effective as of July 7, 2008, for a participant who is receiving worker's compensation benefits and a differential payment equal to the difference between his net salary or wage and the worker's compensation benefits, "compensation" includes the worker's compensation benefit

and the differential payment, and the participant will receive an employer contribution based on those amounts as though the participant were actively working for the city.

58-650. Eligibility for after-tax contributions.

Members of this benefit group are not eligible to make after-tax contributions to the defined contribution plan.

Secs. 58-651.--60-660. Reserved.

DIVISION 5. SCHEDULE D, POLICE NONSUPERVISORY BENEFIT GROUP

Sec. 58-661. Normal retirement age.

Normal retirement age means the participant has attained age 50.

Sec. 58-662. Eligible employees.

(a) *Employees initially hired after September 4, 2007.* Members of this benefit group whose most recent date of employment is after September 4, 2007, participate in the defined contribution plan.

(b) *Employees initially hired on or before September 4, 2007.* A members of this benefit group whose initial date of employment was on or before September 4, 2007, does not participate in the defined contribution plan unless one of the following exceptions applies:

- (1) *Certain re-hired employees.* An employee who had a severance from employment, was subsequently re-hired by the city on or after September 3, 2007, and did not have a deferred vested benefit under the defined benefit plan as of his reemployment date participates in the defined contribution plan as of the date provided in subsection 58-703.c.(1).
- (2) *Transfers to defined benefit plan.* An employee who made a timely election to cease accruals under the defined benefit plan and participate in the defined contribution plan under section 58-863 participates in the defined contribution plan as of the date provided in subsection 58-703.c.(2).

Sec. 58-663. Election to transfer from defined benefit plan.

(a) *General rule.* Members of this benefit group who participate in the defined benefit plan may not elect to transfer to the defined contribution plan.

(b) *Transfers as of July 1, 2008.* Members of this benefit group who participate in the defined benefit plan may make an irrevocable election to cease accruals under the defined benefit plan and begin to participate in the defined contribution plan for purposes of receiving employer contributions as of July 1, 2008.

An election to participate in the defined contribution plan as of July 1, 2008, must be made by May 1, 2008, using an election form provided by the city.

Sec. 58-664. Contribution amount.

The city shall contribute an amount equal to 8% of the participant's compensation.

Sec. 58-665 Eligibility for after-tax contributions.

Members of this benefit group are not eligible to make after-tax contributions to the defined contribution plan.

Secs. 58-666.--58-675. Reserved.

DIVISION 6. SCHEDULE E, POLICE DISPATCHERS BENEFIT GROUP

Sec. 58-676. Normal retirement age.

Normal retirement age means the participant has attained age 55.

Sec. 58-677. Eligible employees.

(a) *Employees initially hired after November 7, 2005.* Members of this benefit group whose initial date of employment is after November 7, 2005, participate in the defined contribution plan

(b) *Employees initially hired on and before November 7, 2005.* A members of this benefit group whose initial date of employment was on or before November 7, 2005, does not eligible to participate in the defined contribution plan unless one of the following exceptions applies:

- (1) *Certain re-hired employees.* An employee who had a severance from employment, was subsequently re-hired by the city on or after November 7, 2005, and did not have a deferred vested benefit under the defined benefit plan as of his reemployment date participates in the defined contribution plan as of the date provided in subsection 58-703.c.(1).
- (2) *Transfers to defined benefit plan.* An employee who made a timely election to cease accruals under the defined benefit plan and participate in the defined contribution plan under section 58-863 participates in the defined contribution plan as of the date provided in subsection 58-703.c.(2).

Sec. 58-678. Election to transfer from defined benefit plan.

(a) *General rule.* Members of this benefit group who participate in the defined benefit plan may not elect to transfer to the defined contribution plan.

(b) *Transfers through December 31, 2010.* Effective as of May 17, 2010, members of this benefit group who participate in the defined benefit plan who have less than ten years of credited service may make an irrevocable election to cease accruals under the defined benefit plan and begin to participate in the defined contribution plan before December 31, 2010.

An election to participate in the defined contribution plan before December 31, 2010 must be made by November 1, 2010, using an election form provided by the city.

Sec. 58-679. Contribution amount.

The city shall contribute an amount equal to 8% of the participant's compensation.

Sec. 58-680. Eligibility for after-tax contributions.

Members of this benefit group are not eligible to make after-tax contributions to the defined contribution plan.

Secs. 58-681.--58-690. Reserved.

DIVISION 7. SCHEDULE F, FIRE BENEFIT GROUP

Sec. 58-691. Normal retirement age.

Normal retirement age means the participant has attained age 50.

Sec. 58-692. Eligible employees.

(a) *Employees initially hired on and after September 6, 2005.* Members of this benefit group whose initial date of employment is on or after September 6, 2005, participate in the defined contribution plan.

(b) *Employees initially hired before September 6, 2005.* A member of this benefit group whose initial date of employment was before September 6, 2005, does not participate in the defined contribution plan unless one of the following exceptions applies:

- (1) *Certain re-hired employees.* An employee who had a severance from employment, was subsequently re-hired by the city on or after September 6, 2005, and did not have a deferred vested benefit under the defined benefit plan as of his reemployment date participates in the defined contribution plan as of the date provided in subsection 58-703.c.(1).
- (2) *Transfers from defined benefit plan.* An employee who made a timely election to cease accruals under the defined benefit plan and participate in the defined contribution plan under section 58-913 participates in the defined contribution plan as of the date provided in subsection 58-703.c.(2).

Sec. 58-693. Election to transfer from defined benefit plan.

(a) *General rule.* Effective as of July 1, 2010, members of this benefit group who participate in the defined benefit plan may not elect to transfer to the defined contribution plan.

(b) *Transfers through July 1, 2010.* Members of this benefit group who participate in the defined benefit plan may make an irrevocable election to cease accruals under the defined benefit plan and begin to participate in the defined contribution plan for purposes of receiving employer contributions as of July 1, 2006, July 1, 2007, July 1, 2008, July 1, 2009, or July 1, 2010, provided the employee has less than 25 years of credited service under the defined benefit plan as of the effective date of the election to participate in the defined contribution plan.

An election to participate in the defined contribution plan as of July 1, 2006, must be made by June 15, 2006, using an election form provided by the city. An election to participate in the defined contribution plan as of July 1, 2007, July 1, 2008, July 1, 2009, or July 1, 2010, must be made by May 1 preceding the effective date of the election, using an election form provided by the city.

Sec. 58-694. Contribution amount.

The city shall contribute an amount equal to 8% of the participant's compensation. Effective as of October 19, 2009, for a participant who is receiving worker's compensation benefits and a differential payment equal to the difference between his net salary or wage and worker's compensation benefits, "compensation" includes the worker's compensation benefit and the differential payment, and the participant will receive an employer contribution based on those amounts as though the participant were actively working for the city.

58-695. Eligibility for after-tax contributions.

Members of this benefit group are not eligible to make after-tax contributions to the defined contribution plan.

Secs. 58-696.--58-705. Reserved.

DIVISION 8. SCHEDULE F, ADMINISTRATIVE CONTRACT BENEFIT GROUP

Sec. 58-706. Normal retirement age.

Normal retirement age means the participant has attained age 55, except as otherwise provided in the participant's current employment contract with the city. However, the normal retirement age shall be age 50 for participants in this group who are employed by the police department and the fire department (i.e., the chief and deputy chief).

Sec. 58-707. Eligible employees.

Members of this benefit group are eligible to participate in the defined contribution plan if the employee's current employment contract with the city provides for participation in the defined contribution plan.

Sec. 58-708. Election to transfer from defined benefit plan.

Members of this benefit group who participate in the defined benefit plan may make an irrevocable election to cease accruals under the defined benefit plan and begin to participate in the defined contribution plan for purposes of receiving employer contributions under the same terms and conditions as members of the administrative and supervisory contract benefit group.

Sec. 58-709. Contribution amount.

The city shall contribute an amount equal to 8% of the participant’s compensation or if, different, the amount required under the participant’s current employment contract with the city.

Sec. 58-710. Eligibility for after tax contributions.

Members of this benefit group are not eligible to make after-tax contributions to the defined contribution plan.

Secs. 58-711.--58-799. Reserved.

Section 11. This Ordinance shall be in full force and effect on the _____ day of _____, 2011.

I hereby certify that the above-entitled Ordinance was adopted by the City of Wyoming at a _____ session of the City Council held on the _____ day of _____, 2011.

Heidi A. Isakson
Wyoming City Clerk

ORDINANCE NO. 8-11

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF WYOMING

THE CITY OF WYOMING ORDAINS that the following sections of Chapters 58 and 59 of the Code of the City of Wyoming (“Code”) be amended as follows in order to reflect the fact that stand-alone documentation has been adopted for the City’s retirement system and retiree health benefits. The changes set forth in this Ordinance shall be effective as of July 1, 2011.

Section 1: Section 58-96 of the Code is amended by adding the following:

Effective as of July 1, 2011, the terms of the plan shall be set forth in a separate document that is not part of the Code. This section 58-96 through section 58-323 shall be deemed obsolete as of July 1, 2011, and shall not govern the operation of the plan after June 30, 2011.

Section 2: Section 58-501 of the Code is amended by adding the following:

Effective as of July 1, 2011, the terms of the defined contribution plan shall be set forth in a separate document that is not part of the Code. This section 58-501 through section 58-710 shall be deemed obsolete as of July 1, 2011, and shall not govern the operation of the defined contribution plan after June 30, 2011.

Section 3: Section 59-1 of the Code is amended by adding the following:

Effective as of July 1, 2011, the terms of the trust fund and the terms and conditions for receiving retiree medical benefits shall be set forth in a separate document that is not part of the Code. This section 59-1 through section 59-8 shall be deemed obsolete as of July 1, 2011, and shall not govern the operation of the trust fund or the terms and conditions for receiving retiree medical benefits after June 30, 2011.

Section 4: Section 59-20 of the Code is amended by adding the following:

Effective as of July 1, 2011, the terms of the PEHP shall be set forth in a separate document that is not part of the Code. This section 59-20 through section 59-28 shall be deemed obsolete as of July 1, 2011, and shall not govern the operation of the PEHP after June 30, 2011.

Section 5: This Ordinance shall be in full force and effect on the _____ day of _____, 2011.

I hereby certify that the above-entitled Ordinance was adopted by the City of Wyoming at a _____ session of the City Council held on the _____ day of _____, 2011.

Heidi A. Isakson
Wyoming City Clerk

Ordinance No. 8-11