

Municipal Retirement Trust

MASTER PLAN AND TRUST

CHAPTER I

ADMINISTRATIVE PROVISIONS

Amended October 13, 2017

CHAPTER I

ADMINISTRATIVE PROVISIONS

The provisions of this Chapter I shall apply to all Plans who participate hereunder. The definitions and terms set forth in Article I hereof shall apply to all Chapters of the Master Plan and Trust in addition to any specific definitions set forth in any subsequent Chapter which are exclusively applicable to such Chapter only.

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MASTER TRUST DOCUMENT

CHAPTER I

ARTICLE I

DEFINITIONS

- 1.01 "Actuary" shall mean the person, partnership, association or corporation which at any given time is serving as actuary to the Plan; provided, however, that such actuary must be an Approved Actuary as defined in the Act.
- 1.02 "Act" shall mean the Municipal Pension Plan Funding Standard and Recovery Act which was enacted as P.L. 1005, (Act 205 of 1984), as amended, 53 P.S. Sec. 895.101 et seq.
- 1.03 "Administrator" shall mean the person or entity appointed by the Board of Trustees to administer the Master Plan in accordance with provisions of Article II of this Chapter I. In the absence of such appointment, the Board of Trustees shall serve as Administrator.
- 1.04 "Association" shall mean the Pennsylvania State Association of Boroughs.
- 1.05 "Beneficiary or Beneficiaries" shall mean the person, persons or entity designated by the Participant to receive a distribution of the Participant's Accumulated Contributions should the Participant die prior to becoming entitled to a retirement benefit, In the event that a Participant does not designate a Beneficiary or the Beneficiary does not survive the Participant, the Beneficiary shall be the surviving spouse, or if there is no surviving spouse, the issue, per stirpes, or if there is no surviving issue, the estate; but if no personal representative has been appointed, to those persons who would be entitled to the estate under the intestacy laws of the Commonwealth of Pennsylvania if the Participant had died intestate and a resident of Pennsylvania.
- 1.06 "Board of Trustees" or "Trustee" shall mean the Board of Trustees of the Pennsylvania State Association of Boroughs Municipal Retirement Trust, or such successor Trustee as may be hereafter appointed by the Plan Sponsor.
- 1.07 "Chief Administrative Officer" shall mean the person designated by the Employer with the primary responsibility for the execution of the administrative affairs for the Plan.
- 1.08 "Code" shall mean the Internal Revenue Code of 1986, as amended.
- 1.09 "Commonwealth" shall mean the Commonwealth of Pennsylvania.
- 1.10 "Contract" or "Policy" shall mean a retirement annuity or retirement income endowment policy (or combination of both), or any other form of insurance contract or policy which shall be deemed appropriate in accordance with the provisions of the Act.
- 1.11 "Employer" shall mean a member of the Pennsylvania State Association of Boroughs, a political subdivision of the Commonwealth of Pennsylvania (or agency or authority

thereof), or an association of municipalities cooperating pursuant to the Intergovernmental Cooperation Law (P.L. 762, No. 180, 1972, as amended), which enters into an agreement to participate in this Master Plan and Trust.

- 1.12 "Insurer" or "Insurance Company" shall mean any legal reserve life insurance company licensed to do business in one or more states of the United States.
- 1.13 "Joinder Agreement" shall mean the document adopted by the Employer of the participating Plan, which sets forth specific definitions, benefits and provisions applicable to the participating Plan. The Joinder Agreement, together with the applicable Chapter of the Municipal Retirement Trust Master Plan and Trust shall constitute the applicable Plan.
- 1.14 "Master Plan" or "Master Plan and Trust" shall refer to the provisions of the master document, the Pennsylvania State Association of Boroughs Municipal Retirement Trust Master Plan and Trust.
- 1.15 "Participant" shall mean any individual who has commenced participation in the Plan of a participating Employer, and who has not, for any reason, ceased to be a Participant therein.
- 1.16 "Plan Administrator" shall mean for each separate Plan, the committee appointed by the respective Employer for the purpose of supervising and administering the provisions of the Plan. In the event an Employer does not appoint a Plan Administrator, the Plan Administrator shall be the governing body of the Employer.
- 1.17 "Plan" shall mean any of the participating plans or Chapters under the Master Plan and Trust, together with (i) the applicable Joinder Agreement; or (ii) the pension ordinance and/or resolution adopted by the respective Employers.
- 1.18 "Plan Sponsor" shall mean the Pennsylvania State Association of Boroughs.
- 1.19 "Trust Fund" or "Trust" shall mean the Trust Fund administered under the terms of the Master Plan and Trust and which shall include all money, property, investments, Policies or Contracts standing in the name of the Master Plan and Trust (including therein all the separate Plans adopted by participating Employers which are a part hereof) in accordance with the terms of Article III of this Chapter I.

ARTICLE II

ADMINISTRATION

- 2.01 Administration of the Trust Fund - The authority to operate and administer the Trust Fund and to establish the terms and conditions for participation in the Trust shall be vested in the Board of Trustees. The Board of Trustees may appoint such subcommittees with such powers as it shall determine; may authorize one or more of its members to execute and deliver any instrument or do any act on its behalf; and may employ counsel and agents and such clerical, accounting and actuarial services as it may require in operating and administering the Trust.

Any act which the Board of Trustees is authorized or required to perform hereunder may be performed by a majority of its members. The action of such majority expressed from time to time by voting at a meeting, or in writing without a meeting, shall constitute the action of the Board of Trustees and shall have the same effect for all purposes as if assented to by all members then in office.

The Board of Trustees may appoint an Administrator to which shall be delegated the responsibility for supervising the participation of the various Plans in the Master Plan and Trust and to make and enforce such rules and regulations as may be necessary and proper for the efficient operation and administration of the Master Plan, and the participation of the various adopting Plans therein. In the event no such delegation is made, the Administrator shall be the Board of Trustees.

- 2.02 Authority and Duties of the Administrator - The Administrator shall have the power to interpret and administer the provisions of the Master Plan, to settle any disputes which may arise regarding the operation of the Master Plan and determine the interest of any participating Plan in the Trust Fund on the basis of the provisions set forth in the Master Plan and Trust.
- 2.03 Approval of Benefits - The Plan Administrator of each respective Plan shall review and approve or deny any application for retirement benefits within thirty (30) days following receipt thereof or within such longer time as may be necessary under the circumstances. Any decision by the Plan Administrator denying the claim of a Participant or Beneficiary for benefits under the Plan shall be communicated by the Plan Administrator to the Participant or Beneficiary by a written communication to the Participant or Beneficiary setting forth the specific reasons of such denial.

All discretionary acts which may be taken pursuant to a participating Plan with respect to Participants and their Beneficiaries in the said Plan shall be uniform and non-discriminatory in their nature and shall be applicable to all Participants and Beneficiaries in the said Plan in substantially identical situations.

- 2.04 Appeal Procedure - Any Participant, Beneficiary or the duly authorized representative of a Participant or Beneficiary, may (i) appeal to the Plan Administrator in writing within ninety (90) days after receipt of the notice of the denial for a full review of the decision by the Employer; (ii) review pertinent documents; and (iii) submit issues and comments in writing. The decision by the Plan Administrator following such review shall be made no later than thirty (30) days after the date of receipt by the Plan

Administrator of the request for review (or sixty (60) days, if additional information is required), and shall be conclusive as to all persons affected thereby.

The Plan Administrator's decision shall be in writing and shall include both specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions on which the decision is based.

- 2.05 Employer's Administrative Representative - Each participating Plan of each separate Employer shall be administered at the direction of the governing body of the Employer. The Employer shall establish the terms and provisions of the Plan covering its employees and shall submit such terms to the Administrator for acceptance according to the terms hereof. Each Employer shall appoint a Chief Administrative Officer and/or a Plan Administrator to assist in the administration of the participating Plan. Any action to be taken by an Employer under this Master Plan will be deemed to be the valid action of the Employer if taken by the Chief Administrative Officer or Plan Administrator.

The Plan Administrator shall have the authority by general rule or special decision to determine and make provisions for such items necessary for the proper carrying out and enforcement thereof that are not specifically provided by this Master Plan, at all times subject to change, however, by proper resolution or ordinance. Upon request, the Administrator shall supply the Plan Administrator such records in its possession to assist in the determination of the status of each Participant and the benefits and rights of each Participant under the Plan and Trust Fund.

ARTICLE III

THE TRUST FUND

- 3.01 Establishment and Acceptance of Trust Fund - The Trust Fund will consist of all funds held by the Trustee under the Master Plan, including contributions made pursuant to the provisions of the participating Plans of each separate Employer, and the investments, reinvestments and proceeds thereof. The Trust Fund shall be held, managed, and administered in trust pursuant to the terms hereof.

Except as otherwise expressly provided for, the Trustee has exclusive authority and discretion to manage and control the Trust assets. The duties, powers and responsibilities reserved to the Trustee may be allocated among the Trustees (if there be more than one) so long as such allocation is pursuant to action taken by the Plan Sponsor, or by written agreement executed by the Trustee and approved by the Plan Sponsor, in which case no Trustee shall have any liability, with respect to any duties, powers or responsibilities not allocated to him, or for the acts or omissions of any other Trustee.

- 3.02 Powers and Duties of Trustee - With respect to the Trust, the Trustee shall have the following powers, rights and duties, in addition to those vested in it elsewhere herein or by law:

- (a) To retain in cash so much of the Trust as it deems advisable and to deposit any cash so retained in any bank or similar financial institution (including any such institution, which may be a Trustee hereunder), without liability for interest thereon.
- (b) To invest and reinvest the principal and income of the fund and keep said fund invested, without distinction between principal and income, in securities which are at the time legal investments for fiduciaries under the applicable laws of the Commonwealth.
- (c) To sell property held in the fund at either public or private sale for cash or on credit at such times as it may deem appropriate; to exchange such property; to grant options for the purchase or exchange thereof.
- (d) To consent to and participate in any plan of reorganization, consolidation, merger, extension or other similar plan affecting property held in the Trust Fund; to consent to any contract, lease, mortgage, purchase, sale or other action by any corporation pursuant to any such plan.
- (e) To exercise all conversion and subscription rights pertaining to property held in the fund.
- (f) To exercise all voting rights with respect to property held in the Trust Fund and in connection therewith to grant proxies, discretionary or otherwise.

- (g) To cause any securities or other property held as part of the Trust Fund to be registered in its own name or in the name of one or more of its nominees, without designating the same as Trust property, and to hold any investments in bearer form, but the books and records of the Trustee shall at all times show that all such investments are part of the Trust Fund.
- (h) Generally, to do all such acts, execute all such instruments, take all such proceedings and exercise all such rights and privileges with relation to property constituting the Trust Fund as if the Trustee were the absolute owner thereof.
- (i) If bonds, preferred stocks or other securities shall be purchased at a premium, it shall not be necessary for the Trustee to set aside a sinking fund from the earnings to retire or absorb the premium.
- (j) To place money at any time in a deposit bank deemed by the Trustee to be appropriate for the purposes of this Trust no matter where situated. Such deposits may be for such duration as the Trustee, in its sole discretion, may determine.
- (k) In addition to the foregoing powers, the Trustee shall also have all of the powers, rights, and privileges conferred upon trustees by the applicable laws of the Commonwealth, and the power to do all acts, take all proceedings and execute all rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to administer the Trust Fund and to carry out the purposes of this Trust.
- (l) To invest the assets or some portion of the assets of the Trust in any collective commingled trust fund maintained by a bank or trust company, including any bank or trust company which may hereafter be appointed to act as a trustee hereunder. In this connection, the commingling of the assets of the Trust with assets of other eligible, participating trusts through such a medium is hereby specifically authorized. Any assets of the Trust which may be so added to such collective trusts shall be subject to all of the provisions of the applicable declaration of trust, as amended from time to time, which declaration, if required by its terms or by applicable law, is hereby adopted as part of the Plan, to the extent of the participation in such collective or commingled trust fund by the Trust.
- (m) To make any payment or distribution directed by the Administrator or otherwise required or advisable to carry out the provisions hereof.
- (n) To compromise, contest, arbitrate, enforce or abandon claims and demands,
- (o) To retain any funds or property subject to any dispute without liability for the payment of interest thereon, and to decline to make payment or delivery thereof until final adjudication is made by a court of competent jurisdiction.
- (p) After advance notice to the Plan Sponsor, to pay, and to deduct from and charge against the Trust, any taxes which may be imposed upon the Trust, the income, property or transfer thereof, or upon or with respect to the interest of any person therein, which the Trustee is required to pay; to contest, in its discretion; the

validity or amount of any tax, assessment, claim or demand which may be levied or made against or in respect of the Trust, the income, property or transfer thereof, or in any matter or thing connected therewith, provided the Trustee is indemnified to its satisfaction.

- 3.03 Management Authority - Except as otherwise provided in Section 3.02 the powers granted the Trustee thereunder shall be exercised in the discretion of the Trustee.
- 3.04 Removal of Trustee; Appointment of Successor Trustee - The Plan Sponsor, in its discretion, may remove any Trustee and appoint a successor Trustee. Pending the appointment of any successor Trustee and the acceptance of such appointment, the existing or remaining Trustee or Trustees shall have full power to take any action hereunder. Each successor or additional Trustee shall have all rights and powers, as well as duties and liabilities, vested in the original Trustee without the signing or filing of any further instrument, but any resigning or removed Trustee shall execute all documents and do all acts necessary to vest title of record to any assets of the Trust in any successor Trustee, or in the remaining Trustee or Trustees. With the approval of the Plan Sponsor, a successor Trustee may accept the account rendered and the property delivered to it by a predecessor Trustee as a full and complete discharge of the predecessor Trustee, without incurring any liability or responsibility for so doing.
- 3.05 Common Investments - The Trustee shall not be required to make separate investments for individual Employers participating in the Trust, nor shall it be required to maintain separate investments for each Participant's account, but may invest contributions and any profits or gains therefrom in common investments.
- 3.06 Compensation and Expenses of Trustee - The Trustee shall be entitled to such reasonable compensation as shall from time to time be agreed upon by the Plan Sponsor and the Trustee, unless such compensation is prohibited by law. Such compensation, and all expenses reasonably incurred by the Trustee in carrying out its functions, shall constitute a charge upon the Trust Fund or upon the Plans participating thereunder, which charge may be executed at any time after thirty (30) days written notice to the Plan Sponsor. The Plan Sponsor shall be under no obligation to pay such costs and expenses, and, in the event of the failure of the participating Plans to do so, the Trustee shall be entitled to pay the same, or to reimburse themselves for the payment thereof, from the Trust and such charges shall be appropriately prorated to the interests of the participating Plans thereunder.
- 3.07 Immunity and Liability of Trustee
- (a) The Trustee shall not be liable for the making, retention or sale of any investment or reinvestment made by it, as herein provided, nor for any loss to, or diminution of, the Trust Fund, unless due to its own intentional or willful misconduct, lack of good faith, or gross negligence;
 - (b) The Trustee shall be fully protected in acting upon any instrument, certificate or paper believed by it to be genuine and to be signed or presented by the proper person or persons, and the Trustee shall be under no duty to make any investigation or any inquiry as to any statement contained in any writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

- (c) The Trustee shall not be liable for the proper application of any part of the Trust if payments are made in accordance with the directions of the Administrator as herein provided, and the Trustee shall not be obliged to inquire as to whether any payee is entitled to any payment or distribution, pursuant to such directions, or as to whether any payment or distribution, pursuant to such directions, is proper or within the terms of the Plan. The Trustee shall not be required to make any investigation to determine the identity or mailing address of any person entitled to benefits under the Plan and shall be entitled to withhold making any payments or deliveries upon instructions from the Administrator.
- (d) The Trustee shall not be responsible for the adequacy of the Trust to meet and discharge any and all payments and liabilities under the Plan. The Trustee shall be responsible only for such sums as shall actually be received by it as Trustee, hereunder, and it shall not be the duty of the Trustee to collect, or to ascertain the correctness of the amount of, any sum receivable or received from any participating Employer.
- (e) The Trustee shall discharge its duties with respect to the assets of the Trust solely in the interest of the Participants and Beneficiaries, administering the assets of the Trust with the care and diligence, under the then prevailing circumstances, that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

3.08 Financial Records - The Trustee shall maintain records and accounts reflecting all receipts and disbursements made by it under the terms of the Master Plan and showing such other items and information as the Plan Sponsor from time to time may specify. The Trustee's records and accounts shall be open to the inspection of the participating Plans at all reasonable times, and may be audited from time to time by such person or persons as the Plan Sponsor may specify.

3.09 Periodic Accounting - The Trust will be evaluated quarterly, or at more frequent intervals if desired, by the Trustee and a written accounting rendered as of each fiscal year end of the Trust, and as of the effective date of any removal of or resignation of the Trustee, and such additional dates as requested by the Plan Sponsor, showing the condition of the Trust and all receipts, disbursements and other transactions effected by the Trustee during the period covered by the accounting, based on fair market values prevailing as of such date.

Any such accounting shall be due within ninety (90) days after the date thereof; to the extent permitted by law, upon the expiration of one hundred and eighty (180) days from the filing of such accounting, the Trustee shall be forever released, remised and discharged from all liability and accountability to anyone with respect to the propriety of its accounts and transactions shown in such accounts except with respect to any such accounts or transactions as to which the Plan Sponsor shall within such one hundred and eighty (180) day period file written exceptions.

3.10 Value of the Trust Fund - All determinations as to the value of the assets of the Trust, and as to the amount of the liabilities thereof, shall be made by the Trustee, whose decisions shall be final and conclusive and binding on all parties hereto, including the

Employers participating hereunder, and the Participants, Beneficiaries and their estates. In making any such determination, the Trustee shall be entitled to seek and rely upon the opinion of or any information furnished by brokers, appraisers and other experts reasonably believed by the Trustee to be reliable, and the Trustee shall also be entitled to rely upon reports as to sales and quotations, both on security exchanges and otherwise as contained in reputable newspapers and in financial publications.

- 3.11 Rights of Trustee - The rights and interest of any Participant on whose life or in whose name a Contract is issued shall not be expanded by such an investment and any and all rights provided under the Contract or permitted by the insurer shall be reserved to the Trustee. Such rights shall include the right to surrender, reduce or split the Contract, the right to name and change the payee to receive thereunder on the happening of any contingency specified in the Contract, the right to exercise any loan provisions to pay premiums or for any other reason, and such other rights as may be reserved to the owner of the Policy. Notwithstanding the preceding, if any participating Employer under the Trust uses Plan assets to purchase Contracts or Policies and fails to inform the Trustee of the existence of such Contracts or Policies, the Trustee shall have no liability whatsoever with respect to such Policies and shall not be held responsible for valuing same as a part of Plan assets, nor shall the Trustee be held responsible for payment of any benefits attributable to said Contracts or Policies.
- 3.12 Actions of Insurer - No Insurer, which may issue a Policy for the purpose of this Master Plan, shall be required to take or permit any action contrary to the provisions of said Policy nor shall the Insurer be required to look into the terms of this Master Plan, or question any action as authorized by the Trustee in the application for a Policy or changes in an existing Policy.
- 3.13 Insurer Not a Party to Plan - The Insurer shall not be deemed to be a party to this Master Plan and Trust for any purpose nor shall it be responsible for the validity of this Master Plan and Trust.
- 3.14 Authorized Investments - The Trustee shall not, in any case, be required to accept as assets hereunder any Contracts or Policies which are not permissible investments for retirement plans subject to the Act; moreover, the Trustee shall have no duty or obligation to inquire into the nature of any such Contracts or Policies, nor to assess the appropriateness of such Contracts or Policies as investments of Plan assets under the Act.

ARTICLE IV

AMENDMENT

- 4.01 Right to Amend the Plan - The Plan Sponsor shall have the limited right to amend this Master Plan at any time without the consent of any Plan or of any Participant or his beneficiaries hereunder. Such amendments shall be restricted to those necessary to conform this Master Plan to mandatory provisions of Federal or State law, regulations or rulings, and to those which add such additional elective provisions as may be deemed necessary or desirable hereunder. Elective provisions shall not be deleted retroactively without the acknowledgment and/or consent of the Plans hereunder who have elected such provisions. Any such amendment by the Plan Sponsor shall be stated in an instrument executed by the Plan Sponsor in the same manner and form as this Master Plan, and each Plan participating hereunder shall be given a copy thereof. Upon execution of such an amendment to the Master Plan, the participating Plan of each Employer which is affected by the terms of such amendment shall be deemed to have been amended in the manner therein set forth, and the Plan and the Participants and Beneficiaries covered by such Plan shall be bound thereby.
- 4.02 Amendment of the Joinder Agreement - Each participating Plan shall have the right to amend its Joinder Agreement at any time. Any such amendment by the Plan shall be made by execution of a revised Joinder Agreement executed on behalf of the Plan by a duly authorized official and by transmitting said Joinder Agreement to the Administrator for acceptance hereunder; provided, however, in the case of any Plan maintained pursuant to Chapter II, and where local or State law so requires, no such amendment shall be executed unless adopted by resolution or ordinance on the part of the Plan. Upon execution and filing of such amendment with the Administrator, the Plan and the Joinder Agreement of the Employer shall be deemed to have been amended in the manner therein set forth and the Employer and all Participants and Beneficiaries thereunder shall be bound thereby.
- 4.03 Restrictions on Amendments - Notwithstanding the preceding, the right of any party to amend the Master Plan shall be subject to the following restrictions:
- (i) no amendment shall deprive any Participant or any Beneficiary of a deceased Participant of any of the benefits to which the Beneficiary is entitled under this Plan with respect to contributions previously made;
 - (ii) no amendment shall provide for the use of funds or assets held under this Trust other than for the benefit of employees and no funds contributed to this Trust or assets of this Trust shall, except as provided in Section 5.05, ever revert to or be used or enjoyed by the Plan Sponsor or any of the Employers hereunder; and
 - (iii) no amendment to the Plan which provides for a benefit modification shall be made unless the cost estimate described in Section 6.03 has been prepared and presented to the Plan in accordance with the Act.

ARTICLE V

PLAN TERMINATION

- 5.01 Termination of the Plan and Trust - The Plan Sponsor intends to continue to sponsor the Master Plan and Trust indefinitely but shall have the right, at any time, to terminate its sponsorship of the Master Plan and to distribute the assets of the Trust to the participating Plans in accordance with their appropriate shares as of the date of such distribution. Any such dissolution of the Trust shall terminate the relationship between the Trustee and the participating Plans but shall not be deemed to constitute the termination of any participating Plan for its employees, absent formal action taken by such Plan.
- 5.02 Termination of a Plan's Participation in the Master Plan and Trust – It shall be the present intention of each participating Employer to maintain its Plan indefinitely. Nevertheless, each Employer reserves the right, at any time, to permanently discontinue further contributions to the Trust or to terminate its entire participation under the Master Plan and Trust by a written instrument filed with the Administrator. Such action shall not necessarily constitute a termination of the participating Plan of the Employer, but if such a Plan termination occurs, then the provisions of Section 5.04 shall apply.
- 5.03 Automatic Termination of Contributions - Subject to the provisions of the Act governing financially distressed municipalities, the liability of the Employer to make contributions to the Trust shall automatically terminate upon liquidation or dissolution of the Employer, upon its adjudication as a bankrupt, or upon the making of a general assignment for the benefit of its creditors.
- 5.04 Distribution Upon Termination - In the event of the termination or partial termination of the Plan of a participating Employer, all amounts of vested benefits accrued by the affected Participants as of such date of such termination, to the extent funded on such date, shall be non-forfeitable hereunder. (With respect to a defined contribution plan, the preceding sentence shall be interpreted to mean that all vested amounts allocated to a Participant's Account as of the date of termination shall be non-forfeitable.) In the event of termination of the Plan, the Employer shall direct either (a) that the Trustee continue to hold the vested Accrued Benefits of Participants in the Trust Fund in accordance with the provisions of the Plan (other than those provisions related to forfeitures) without regard to such termination until all funds have been distributed in accordance with such provisions, or (b) that the Trustee immediately distribute to each Participant an amount equal to the Participant's vested Accrued Benefit to such date. If there are insufficient assets in the Trust to provide for all vested Accrued Benefits as of the date of Plan termination, priority shall first be given to the distribution of any amounts attributable to mandatory or voluntary employee contributions before assets are applied to the distribution of any vested benefits attributable to other sources hereunder.

All other assets attributable to such terminated Plan shall be distributed and disposed of in accordance with the provisions of applicable law and the terms of any instrument adopted by the Employer which affects such termination.

- 5.05 Residual Assets - If all liabilities to vested Participants and any others entitled to receive a benefit under the terms of such a terminated Plan have been satisfied, and there remain any residual assets in the Trust Fund attributable to such Plan, the residual assets remaining in the Trust Fund shall be returned to the Employer insofar as such return does not contravene any provision of law, and, any remaining balance, in excess of Employer contributions, shall be returned to the Commonwealth.
- 5.06 Exclusive Benefit Rule - In the event of the discontinuance and termination of the Plan as provided herein, the Trustee shall dispose of the Trust Fund in accordance with the terms of the Plan and applicable law. At no time prior to the satisfaction of all liabilities under the Plan shall any part of the corpus or income of the Trust Fund, after deducting any administrative or other expenses properly chargeable to the Trust Fund, be used for or diverted to purposes other than for the exclusive benefit of the Participants in the Plan, their Beneficiaries or their estates.

ARTICLE VI

FUNDING STANDARD REQUIREMENTS

- 6.01 Actuarial Valuations - The Actuary for each Plan shall perform an actuarial valuation or prepare an allocation report at least biennially or annually, as appropriate, unless the Employer is applying or has applied for supplemental state assistance pursuant to Section 603 of the Act.

Such actuarial valuation report or allocation report shall be made as of the beginning or the end of each Plan Year, as appropriate and occurring in an odd-numbered calendar year, beginning with the year 1985.

Such actuarial valuation or allocation report shall be prepared and certified by an approved Actuary, as such term is defined in the Act.

- 6.02 Reporting Requirements - Such actuarial reports or allocation reports shall be prepared and filed under the supervision of the Chief Administrative Officer of the municipality or of an association of municipalities cooperating pursuant to the Intergovernmental Cooperation Act.

The Plan Administrator or Chief Administrative Officer of the Plan shall determine the financial requirements of the Plan on the basis of the most recent actuarial report and shall determine the minimum obligation of the Employer with respect to funding the Plan for any given Plan Year. The Chief Administrative Officer shall submit the financial requirements of the Plan and the minimum obligation of the Employer to the Employer (or its governing body) annually and shall certify the accuracy of such calculations and their conformance with the Act.

- 6.03 Benefit Modifications - Prior to the adoption of any benefit plan modification by the Employer, the Chief Administrative Officer of the Plan shall provide to the Employer a cost estimate of the proposed benefit plan modification. Such estimate shall be prepared by an approved Actuary, which estimate shall disclose to the Employer the impact of the proposed benefit plan modification on the future financial requirements of the Plan and the future minimum obligation of the Employer with respect to the Plan.

ARTICLE VII

MISCELLANEOUS

- 7.01 Incapacity of Pensioner - If any pensioner shall be physically or mentally incapable of receiving or acknowledging receipt of any payment of pension benefits hereunder, the Trustee, upon the receipt of satisfactory evidence accepted by the Administrator that such pensioner is so incapacitated and that another person or institution is maintaining such person and that no guardian or committee has been appointed, may provide for such payment of pension benefits hereunder to such person or institution so maintaining such person, and any such payments so made shall be deemed for every purpose to have been made to such pensioner.
- 7.02 Benefits for a Deceased Participant - If any benefit shall be payable under the Plan to or on behalf of a Participant who has died, if the Plan provides that the payment of such benefits shall be made to the Participant's estate, and if no administration of such Participant's estate is pending in the court of proper jurisdiction, then the Trustee, at its sole option, may pay such benefits to the surviving spouse of such deceased Participant, or, if there be no such surviving spouse, to such Participant's then living issue, per stirpes; provided, however, that nothing contained herein shall prevent the Trustee from insisting upon the commencement of estate administration proceedings and the delivery of any such benefits to a duly appointed executor or administrator.
- 7.03 Liability of Officers of the Plan Sponsor and/or Participating Plans - Subject to the provisions of the Act, no past, present or future officer of the Plan Sponsor nor of any participating Plan shall be personally liable to any Participant, Beneficiary or other person under any provision of the Master Plan or Trust, any participating Plan or any Policy or Contract issued pursuant thereto.
- 7.04 Assets in Trust Fund Not Owned by Participants - Nothing contained herein shall be deemed to give any Participant or Beneficiary any interest in any specific property of the Trust or any right except to receive such distributions as are expressly provided for under the Plan of the Participant.
- 7.05 Employment Rights Not Affected by the Plan - No employee of the Employer nor anyone else shall have any rights whatsoever against the Employer or the Plan Administrator as a result of this Plan except those expressly granted hereunder. Participation in a Plan shall not give any right to any employee to be retained in the employ of any Employer participating hereunder, nor shall it interfere with the right of any Employer to discharge any employee and to deal with such employee without regard to the affect that such treatment might have upon the individual as a Participant in a Plan.
- 7.06 Trust Fund for Sole Benefit of Participants - The income and principal of the Trust Fund are for the sole use and benefit of the Participants covered hereunder, and, to the extent permitted by law, shall be free, clear and discharged from and are not to be in any way liable for debts, contracts or agreements, now contracted or which may hereafter be contracted, and from all claims and liabilities now or hereafter incurred by any Participant or Beneficiary.

- 7.07 **Meaning of Certain Words** - As used herein the masculine gender shall include the feminine gender and the singular shall include the plural in all cases where such meaning would be appropriate. Headings of articles and sections are inserted only for convenience of reference and are not to be considered in the construction of the Master Plan or any participating Plan.
- 7.08 **Information to be Furnished by the Plan** - Each participating Plan shall furnish to the Administrator and the Trustee information in the Plan's possession as the Administrator and the Trustee shall require from time to time to perform their duties under the Master Plan and the Trust.
- 7.09 **Assignment or Alienation** - To the extent permitted by law, no payment to any person under any contract, nor the right to receive such payments, nor any interest in this Master Plan and Trust or any participating Plan, shall be subject to assignment, alienation, transfer or anticipation, either by voluntary or involuntary act of any Participant or Beneficiary or by operation of law, nor shall such payment or right or interest be subject to the demands or claims of any creditor of such person, nor be liable in any way for such person's debts, obligations, or liabilities.
- 7.10 **Action by the Plan** - Whenever, under the terms of this Master Plan, a participating Plan is permitted or required to take some action, such action may be taken by an officer of the Plan who has been duly authorized by the Employer.
- 7.11 **Construction of Agreement** - The validity of this Master Plan and Trust or any of its provisions shall be determined under and construed according to the laws of the Commonwealth of Pennsylvania. Should any provision of this Master Plan and Trust be held illegal or invalid for any reason, such determination shall not affect the remaining provisions of this Master Plan and Trust, and it shall be construed and enforced as if such illegal or invalid provision had never been included herein.
- 7.12 **Disputed Payments** - If a dispute arises as to the proper recipient of any payment, or delivery of any Contracts, the Administrator in its sole discretion may withhold or cause to be withheld such payment or delivery until the dispute shall have been settled by the parties concerned or shall have been determined by a court of competent jurisdiction.