

MUNICIPAL RETIREMENT TRUST

MASTER PLAN AND TRUST

CHAPTER III

DEFINED BENEFIT PENSION PLAN

(Other than Act 600)

Amended October 13, 2017

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CHAPTER III

DEFINED BENEFIT PENSION PLAN

ARTICLE I

DEFINITIONS

The following words and phrases as used in this Plan shall have the meaning set forth in this Article I, unless a different meaning is otherwise clearly required by the context:

1.01 "Accrued Benefit" shall have the meaning specified in **Part I-1** of the Joinder Agreement.

In no event, however, shall the Accrued Benefit exceed the maximum limitation, determined as of the date of computation, provided under Section 4.07 of Chapter III of the Master Plan and Trust. All Accrued Benefits are subject to all applicable limitations, reductions, offsets and actuarial adjustments provided by the Plan prior to the actual payment thereof.

1.02 "Accumulated Contributions" shall mean the total amount contributed by any Participant to this Plan or its predecessor by way of payroll deduction or otherwise, plus interest credited thereon at the rate specified in **Part I-2** of the Joinder Agreement.

1.03 "Actuarial Equivalents" shall mean two forms of payment of equal actuarial present value on a specified date. The actuarial present values shall be determined by the use of the factors selected in **Part I-3** of the Joinder Agreement.

1.04 "Authorized Leave of Absence" shall mean any leave of absence granted in writing by the Employer for reasons including, but not limited to, accident, sickness, pregnancy or temporary disability, education, training, jury duty or such other reasons as may necessitate authorized leave from active employment.

1.05 "Average Monthly Compensation" shall mean the average monthly compensation paid to the Employee by the Employer during the averaging period selected in **Part I-4(B)** of the Joinder Agreement.

1.06 "Break In Service" shall mean the date, which is the earlier of the following dates:

- (a) the date when an Employee ceases to be employed by the Employer for any reason, including but not limited to quit, discharge, retirement or death, or
- (b) the date when an Employee ceases making any contributions required as a condition of participation hereunder, provided however, that no Break in Service shall be deemed to occur in the case of an Authorized Leave of Absence as provided in Section 1.04 of Chapter III of the Master Plan and Trust.

Notwithstanding the preceding, in the case of any Employee who becomes absent from service because the Participant has entered the military, naval or merchant marine service of the United States, who has re-employment rights under a law relating to such service and who is re-employed by the Employer within the requirements of such law, no Break in Service shall be deemed to have occurred on account of such absence.

- 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 "Compensation" shall mean the total compensation of the Employee, whether differential wage payments under Section 3401(h) of the Code, salary or hourly wages, as provided in subsections (a), (b) or (c) below, with the applicable subsection being specified in **Part I-4(A)** of the Joinder Agreement. In any event, Compensation shall be limited on an annual basis to the amount specified for government plans pursuant to Code Section 401(a) (17), as adjusted under Code Section 415(d). Compensation specified in the Joinder Agreement shall mean either:
- (a) Those items specified in Treas. Reg. §1.415(c)-2(b)(1) or (b)(2) and excludes all those items listed in Treas. Reg. §1.415(c)-2(c);
 - (b) Wages within the meaning of Code section 3401(a) (for purposes of income tax withholding at the source), plus amounts that would be included in wages but for an Election under Code section 125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 401(k), or 457(b). However, any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed are disregarded for this purpose; or
 - (c) Amounts that are compensation under subsection (b) of this section 1.08, plus all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the Employee a written statement under Code sections 6041(d), 6051(a)(3), and 6052.
- 1.09 "Continuous Employment" shall mean an Employee's period of continuous employment with the Employer prior to retirement. For purposes of this section, an Employee's employment shall not be deemed to have been interrupted by any periods of Authorized Leave of Absence expressly granted by the Employer; nor shall it be deemed interrupted by any period of absence during which the Participant served in the Armed Forces of the United States of America, provided the employee returns to the Participant's employment with the Employer at the time and under the circumstances required to give him re-employment rights under any Federal or State law. In the event an employee does not return to employment within the specified period or at the end of an Authorized Leave of Absence, the Participant shall be deemed to have terminated the Participant's employment when the Participant originally left the service of the Employer. In addition, Continuous Employment shall include employment with other entities, which are listed in **Part I-5** of the Joinder Agreement.

Continuous Employment shall also include any period of qualified military service as determined under the requirements of Chapter 43 of Title 38, United States Code, provided that the Participant returns to Employment following such period of qualified military service and the Participant makes payment to the Plan in an amount equal to the Participant contributions, if required, that would otherwise have been paid to the Plan during such period of qualified military service for pension benefits derived from Participant contributions. The amount of Participant contributions shall be based upon an estimate of the Compensation that would have been paid to the Participant during such period of qualified military service as determined by the average Compensation paid to the Participant during the twelve (12) months immediately preceding the period of qualified military service. The amount of Participant contributions calculated must be paid into the Plan before the end of the period that begins on the date of reemployment and ends on the

earlier of the date that ends the period that has a duration of three (3) times the period of qualified military service or the date that is five (5) years after the date of re-employment.

- 1.10 "Early Retirement Date" shall mean the date when a Participant retires or terminates employment with the Employer if such date is prior to the Participant's Normal Retirement Date but on or after the Early Retirement Date specified in **Part IV-2(B)** of the Joinder Agreement.
- 1.11 "Effective Date" shall mean the date upon which the provisions of this Plan become effective, as specified in **Part I-6** of the Joinder Agreement.
- 1.12 "Employee" shall mean any employee who is employed by the Employer, with the exclusion of such classes of employees as are specified in **Part I-7** of the Joinder Agreement.
- 1.13 "Employer" shall mean the entity adopting this Plan, as specified in **Part I-8** of the Joinder Agreement.
- 1.14 "Employment Commencement Date" shall mean the date on which an Employee first completes an Hour of Service for the Employer.
- 1.15 "Hour of Service" shall mean:
- (a) each hour for which an Employee is paid, or entitled to payment for the performance of duties for the Employer; or
 - (b) each hour for which an Employee is paid, or entitled to payment, by the Employer on Account of a period of time during which no duties are performed due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence.

In the case of any dispute hereunder regarding completion of an Hour of Service, Hours of Service shall be determined and credited in accordance with applicable Department of Labor Regulations.

- 1.16 "Joinder Agreement" shall mean the document adopted by the Employer of the participating Plan which sets forth specific definitions, benefits and provisions elected by the Employer and which, together with the Master Plan and Trust, constitutes the participating Plan.
- 1.17 "Late Retirement Date" shall mean the first day of the month coincident with or next following the date when a Participant retires pursuant to the provisions of Section 4.04 of Chapter III of the Master Plan and Trust.
- 1.18 "Normal Retirement Age" shall mean the date specified in **Part I-9** of the Joinder Agreement.
- 1.19 "Normal Retirement Date" shall mean the first of the month coincident with or next following the date when an Employee attains Normal Retirement Age.
- 1.20 "Participant" shall mean an Employee who has met the eligibility requirements to participate in the Plan as provided in Section 2.01 of Chapter III of the Master Plan and Trust, and who has not for any reason ceased to be a Participant hereunder.

- 1.21 "Plan" shall mean the terms set forth herein, together with the terms contained in either the (i) Joinder Agreement adopted by the Employer; or (ii) the pension ordinance and/or resolution adopted by the Employer. The name of this Plan shall be specified in **Part I-10** of the Joinder Agreement or in the pension ordinance and/or resolution.
- 1.22 "Plan Administrator" shall mean, the committee appointed by the Employer for the purpose of supervising and administering the provisions of the Plan. In the event the Employer does not appoint a Plan Administrator, the Plan Administrator shall be the governing body of the Employer.
- 1.23 "Plan Year" shall mean the twelve (12) month period beginning on January 1 and ending December 31 of each year or the period specified in **Part I-11** of the Joinder Agreement.
- 1.24 "Year of Credited Service" shall mean a twelve-month period of Continuous Employment with the Employer, calculated in whole years and completed months of Continuous Employment and shall be subject to the restrictions specified in **Part I-12** of the Joinder Agreement.
- 1.25 "Year of Service" shall mean each completed twelve-month period of Continuous Employment with the Employer. Such twelve-month periods shall be measured beginning on the Employee's Employment Commencement Date and anniversaries thereof. Years of Service shall be expressed in completed years only and shall not take into account any partial years of fewer than twelve (12) completed months with respect to any Employee.

ARTICLE II

ELIGIBILITY

- 2.01 **Eligibility for Participation** - Each Employee shall be eligible to participate in the Plan on the Participant's Eligibility Date, provided the Participant is an Employee of the Employer on such date. An Employee's Eligibility Date shall be the first Entry Date (specified in **Part II-1** of the Joinder Agreement) which occurs on or after an Employee's Employment Commencement Date upon which the Participant has met the requirement set forth in **Part II -2** of the Joinder Agreement.
- 2.02 **Re-Employment** - Upon the re-employment of any employee who had previously been employed by the Employer and who has incurred a Break in Service, the rules specified in **Part II-3** of the Joinder Agreement shall apply in determining the Participant's participation in this Plan.
- 2.03 **Change in Status** - In the event a Participant who remains in the service of the Employer ceases to be an Employee eligible for participation hereunder, as provided in Section 2.01 of Chapter III of the Master Plan and Trust, or who ceases or fails to make any contributions which may be required as a condition of the Participant's participation hereunder, no further benefit accruals shall occur until the Participant again qualifies under such participation requirements, or until the Participant incurs a Break in Service.
- 2.04 **Leave of Absence** - During any leave of absence that is not an Authorized Leave of Absence, a Participant shall be deemed an inactive Participant and shall not be given credit for Years of Service for vesting, nor shall the Participant continue to accrue any benefits hereunder. If the Employee is not re-employed by the expiration of the Participant's leave of absence, the Participant's participation in the Plan shall cease on the date on which the Participant's leave of absence commenced. During any Authorized Leave of Absence, a Participant shall continue to receive credit for Years of Credited Service for vesting but such Years of Credited Service shall not accrue unless expressly authorized by the Employer as part of the terms and conditions of such Authorized Leave of Absence.
- 2.05 **Recordkeeping** - The Employer shall furnish the Plan Administrator with such information as will aid the Plan Administrator in the administration of the Plan. Such information shall include all pertinent data on Employees for purposes of determining eligibility to participate in this Plan initially and subsequently.

ARTICLE III

CONTRIBUTIONS

- 3.01 Employer Contributions - The Employer shall contribute to the Plan the amount determined and certified by the Chief Administrative Officer as the amount which, when combined with State Aid and Participant contributions, is necessary to adequately fund the benefits hereunder in accordance with the requirements of the Act.
- 3.02 Mandatory Employee Contributions - If Employee contributions are required in **Part III-1** of the Joinder Agreement as a condition of participation hereunder, each Participant shall be required to file a written designation authorizing Employee contributions in the amount specified in **Part III-1(A)(i)** of the Joinder Agreement, which contribution shall be collected by the Employer by payroll deduction (or such other method as may be authorized by the Employer) and credited with interest at the rate specified in **Part I-2** of the Joinder Agreement. If specified in the Joinder Agreement, Participant contributions shall be picked up by the Employer and treated as Employer contributions pursuant to Code Section 414(h)(2).
- 3.03 Voluntary Employee Contributions - Each Participant shall be permitted to make voluntary contributions as provided in this section if the Employer so elects in **Part III-1(B)** of the Joinder Agreement. Employee contributions made pursuant to this section shall be considered as a separate defined contribution plan for purposes of applying the limitations of Code Section 415, and any contributions made pursuant to this section shall be returned to the Participant (if necessary) to preclude exceeding said limitations.

Section 415(c) Limit. Participant contributions or other annual additions (within the meaning of Code section 415(c)(2)) with respect to a Participant shall not exceed the lesser of \$40,000 (as adjusted pursuant to Code section 415(d)) or 100 percent of the Participant's Compensation for the respective Plan year.

- (a) Amount of Voluntary Contributions - A Participant may voluntarily contribute to the Plan an amount not in excess of ten percent (10%) of such Participant's aggregate Compensation since becoming a Participant, less any amount the Participant has contributed since becoming a Participant in this Plan or under any other qualified Plan maintained by the Employer. All contributions by Participants shall be paid to or withheld by the Employer, which shall transmit said contributions to the Trustee. All contributions by Participants shall be credited as of the date received by the Trustee.
- (b) Separate Accounting - Any portion of a Participant's Accrued Benefit which is attributable to the Participant's own voluntary contributions shall be accounted for separately from any portion of said Accrued Benefit which is attributable to Employer contributions and shall be referred to as the Participant's Voluntary Contribution Account. The Voluntary Contribution Account shall be valued at fair market value on the last day of each Plan Year, and such additional dates as the Employer shall determine in its sole discretion.
- (c) Distribution of Employee Contributions - Upon reaching a date when the Participant is entitled to receive a distribution, a Participant shall receive a distribution of the

fair market value of the Participant's Voluntary Contribution Account in the same manner (and in the event of the Participant's death, to the same Beneficiary or Beneficiaries) as is the remainder of the Participant's Accrued Benefit, except as the Plan Administrator shall otherwise determine.

- (d) Vesting - Notwithstanding any other provision of this Plan, a Participant's Voluntary Contribution Account shall be one hundred percent (100%) vested at all times, and the fair market value of such contributions, together with any net gains or losses arising from interest earnings or capital appreciation or loss, shall be distributed to the Participant or the Participant's Beneficiaries as of the date coincident with the time this Plan otherwise provides for distribution of benefits to Participants or their Beneficiaries.
- (e) Amendments - No amendment shall affect any Employee's rights in regard to voluntary contributions made by him, nor shall such rights be subject to forfeiture.
- (f) Termination of the Plan - In the event of a termination of the Plan or Trust, distribution to each Participant of the fair market value of the Participant's Voluntary Contribution Account shall, notwithstanding any other provision of this Plan, be treated as a priority distribution ahead of any other distributions to Participants from the Trust.

3.04 No Reversion to the Employer - At no time shall it be possible for the Plan assets to be used for or diverted to any purpose other than for the exclusive benefit of the Participants and their Beneficiaries, except that contributions made by the Employer may be returned to the Employer if:

- (a) the contribution was made due to a mistake of fact and the contribution is returned within one year of the mistaken payment of the contribution; or
- (b) the Plan is terminated, as provided, in Chapter I of the Master Plan and Trust.

3.05 Rollovers From Qualified Plans

- (a) With the consent of the Plan Administrator, amounts may be transferred from other qualified plans, provided that the trust from which such funds are transferred permits the transfer to be made and in the opinion of legal counsel for the Employer, the transfer will not jeopardize the tax-exempt status of the Plan or Trust or create adverse tax consequences for the Employer.

The amounts transferred shall be set up in a separate account herein referred to as a "Participant's Rollover Account." Such account shall be fully vested at all times and shall not be subject to forfeiture for any reason.

- (b) Amounts in a Participant's Rollover Account shall be held by the Trustee pursuant to the provisions of this Plan, and such amounts shall not be subject to forfeiture for any reason and may not be withdrawn by or distributed to the Participant, in whole or in part, except as provided in Paragraph (c) of this section.
- (c) At Normal Retirement Date, or such other date when the Participant or the Participant's Beneficiary shall be entitled to receive benefits, the fair market value of the Participant's Rollover Account shall be used to provide additional benefits to the

Participant in the Normal Form as specified in **Part IV-I(A)** of the Joinder Agreement or such other optional method that the Participant shall elect pursuant to Article V of Chapter III of the Master Plan and Trust.

- (d) The Participant's Rollover Account shall be invested as part of the general Trust Fund and shall share in any income earned thereon, any investment gains and losses attributable thereto, less any expenses, pursuant to the terms of this Plan.
- (e) For purposes of this section the term "Amounts transferred from another qualified plan" shall mean: (i) amounts transferred to this Plan directly from another qualified plan; (ii) lump sum distributions received by any Employee from another qualified plan which are eligible for tax-free rollover treatment and which are transferred by the Employee to this Plan within sixty (60) days following the Participant's receipt thereof; (iii) amounts transferred to this Plan from a conduit individual retirement account provided that the conduit individual retirement account has no assets other than assets which were previously distributed to the Employee by another qualified plan as a lump sum distribution which were eligible for tax-free rollover treatment and which were deposited in such conduit individual retirement account within sixty (60) days of receipt thereof; and (iv) amounts distributed to the Employee from a conduit individual retirement account meeting the requirement of clause (iii) above, and transferred by the Employee to this Plan within sixty (60) days of the Participant's receipt thereof from such conduit individual retirement account. Prior to accepting any transfers to which this section applies, the Plan Administrator may require the employee to establish that the amounts to be transferred to this Plan meet the requirements of this section and may also require the Employee to provide an opinion of counsel satisfactory to the Employer and the Plan Administrator that the amounts to be transferred meet the requirements of this section.

ARTICLE IV

RETIREMENT BENEFITS

- 4.01 Normal Retirement Pension – If a Participant retires (on or after the Effective Date) on the Participant's Normal Retirement Date, the Participant shall be one hundred percent (100%) vested in and entitled to receive a retirement benefit, expressed in the Normal Form as specified in **Part IV-1(A)** of the Joinder Agreement, commencing at the Normal Retirement Date, in the amount specified in **Part IV-1(B)** of the Joinder Agreement.
- 4.02 Early Retirement (Optional) – If the Employer elects to provide early retirement benefits in **Part IV-2(A)** of the Joinder Agreement, such benefits shall be governed by the provisions of this section. If a Participant shall retire on an Early Retirement Date defined in **Part IV-2(B)**, the Participant shall be entitled to receive upon making an Election therefore either:
- (a) a deferred pension commencing at Normal Retirement Date equal to the benefit described in **Part IV-2(C)(i)** of the Joinder Agreement, or
 - (b) an immediate pension commencing on the Participant's Early Retirement Date (or on any date intervening between the Participant's Early Retirement Date and the Participant's Normal Retirement Date) equal to the amount in subsection (a) above reduced in accordance with **Part IV-2(C)(ii)** of the Joinder Agreement.
- 4.03 Notice of Early Retirement - Each Participant who desires to retire at a date earlier than the Normal Retirement Date, in accordance with Section 4.02 of Chapter III of the Master Plan and Trust, shall notify the Employer prior to such date by written notice setting forth the proposed Early Retirement Date in accordance with the procedures established by the Employer.
- 4.04 Late Retirement - If a Participant remains in the employ of the Employer subsequent to the Participant's Normal Retirement Date, the Participant shall continue to be eligible to participate hereunder. A Participant who retires on a Late Retirement Date shall be entitled to receive a monthly pension in the amount calculated according to **Part IV-3** of the Joinder Agreement.
- 4.05 Cost-of-Living Increases (Optional) - If elected by the Employer in **Part IV-4 (A)** of the Joinder Agreement, for those Participants who have retired and are receiving retirement benefits, a cost-of-living adjustment shall be made to the pension benefit payable to such Participant. The amount of such cost-of-living increase shall be specified in **Part IV-4** of the Joinder Agreement, along with any special conditions or requirements associated with such cost-of-living increase.
- 4.06 Special Provision for Predecessor Plans - The benefit amount of any Participant who may have retired prior to the Effective Date pursuant to any predecessor pension plan shall not be in any way altered by the provisions of this Plan, except where otherwise expressly indicated herein, and shall continue to be determined on the basis of the terms of the predecessor pension plan in effect on the day preceding the Effective Date.
- 4.07 Maximum Benefit Limitations - Notwithstanding any provision of this Plan to the contrary, no benefit provided under this Plan attributable to contributions of the Employer shall exceed, as an annual amount, the amount specified in Code Section 415(b)(1)(A) as

adjusted pursuant to Code Section 415(d), assuming the form of benefit shall be a straight life annuity (with no ancillary benefits). The limitations described in this section 4.07 shall be governed by the following conditions and definitions:

- (a) with respect to benefits paid or payable in a form other than a straight life annuity (with no ancillary benefits) or where the Employee contributes to the Plan or makes rollover contributions, the annual benefit shall be determined as the straight life annuity payable on the first day of each month that is actuarially equivalent to the benefit payable in such other form, determined under the rules of Treas. Reg. §1.415(b)-1(c);
- (b) in the case of a benefit which commences prior to the attainment of age sixty-two (62) by the Participant and for limitation years before July 1, 2007, the limitation herein shall be adjusted on an actuarially equivalent basis to the amount determined pursuant to this section commencing at age sixty-two (62); however, in the case of a qualified Participant (a Participant with respect to whom a period of at least fifteen (15) Years of Service, including applicable military service, as a full-time employee of a police or fire department is taken into account in determining the amount of benefit), the limitation contained in this subsection 4.07(b) shall not apply;
- (c) in the case of a benefit which commences after attainment of age sixty-five (65) by the Participant and for limitation years before July 1, 2007, the limitation herein shall be adjusted on an actuarially equivalent basis to the amount determined herein commencing at age sixty-five (65);
- (d) for limitation years after July 1, 2007, in the case of a benefit with an annuity starting date that occurs before the Participant attains age 62 or after the Participant attains age 65, the age-adjusted Section 415(b)(1)(A) dollar limit shall be computed pursuant to Treas. Reg. §1.415(b)-1(d) or Treas. Reg. §1.415(b)-1(e), as appropriate, in place of the dollar limitation described in Code Section 415(b)(1)(A);
- (e) benefits paid to a Participant which total less than ten thousand dollars (\$10,000.00) from all defined benefit plans maintained by the Employer expressed as an annual benefit shall be deemed not to exceed the limitation of this section provided that the Employer has not at any time maintained a defined contribution plan in which the Participant has participated;
- (f) in the case of a Participant with fewer than ten (10) Years of Service or participation, the limitation expressed in this section 4.07 shall be reduced by one-tenth (1/10) for each year of participation less than ten (10) with respect to Code Section 415(b)(1)(A) or each Year of Service less than ten (10) years in the case of the limitation in subsection (d); but in no event shall this limitation be less than one-tenth (1/10) of the applicable limit;
- (g) the limitations expressed herein shall be based upon Plan Years for calculation purposes, shall be applied to all defined benefit plans maintained by the Employer as one (1) defined benefit plan and to all defined contribution plans maintained by the Employer as one (1) defined contribution plan, and shall be applied and interpreted consistent with Code Section 415 and regulations thereunder as applicable to government plans in general and this Plan in particular; and

- (h) in the case of a Survivor Benefit under Section 7.02, or a Disability Retirement Benefit under Section 6.02, the adjustment under subsections (b) and (f) hereof shall not apply and the applicable limitation shall be the limitation contained herein without regard to the age or Years of Service or participation of the benefit recipient.

Notwithstanding anything contained in this section to the contrary, the limitations, adjustments, and other requirements prescribed in this section shall at all times comply with the provisions of Code Section 415 and the Regulations thereunder (as such apply to governmental plans), the terms of which are specifically incorporated herein by reference. Compensation for purposes of applying the limitations in this section shall be specified in the Joinder Agreement and shall be as defined in either Treas. Reg. §1.415(c)-2(d)(2), §1.415(c)-2 (d)(3) or §1.415(c)-2 (d)(4).

- 4.08 Incorporation of Code Section 415 by Reference - Notwithstanding anything contained in section 4.07 to the contrary, the limitations, adjustments, and other requirements prescribed in section 4.07 shall at all times comply with the provisions of Code Section 415 and the regulations thereunder (as such apply to governmental plans), the terms of which are specifically incorporated herein by reference.
- 4.09 Personal Right of Participant - The right to receive any benefits under this Plan is a personal right of the Participant and shall expire upon the death of the Participant. No heir, legatee, devisee, Beneficiary, assignee or other person claiming by or through a Participant shall have any interest in any benefits, hereunder unless clearly and expressly so provided by the terms of this Plan or the provisions of applicable law. A Participant's Election, failure to make an Election or revocation of an Election hereunder shall be final and binding on all persons.

ARTICLE V

PAYMENT OF BENEFITS

5.01 Forms of Benefit Payment - The automatic form of payment of retirement benefits shall be the form specified in section 4.01 of Chapter III of the Master Plan and Trust unless a Participant elects to receive the Participant's benefits in some other form as provided herein or as allowable by applicable law. If a Participant who retires under Article IV of Chapter III of the Master Plan and Trust elects not to take the Participant's benefits in the Normal Form of payment, the Participant may, by giving written notice to the Employer at least thirty (30) days prior to the Participant's actual retirement date, elect to have the Participant's retirement benefit payable under one of the optional forms of retirement benefits elected by the Employer in **Part V-I** of the Joinder Agreement and described in this section; such form shall be the Actuarial Equivalent of the Normal Form. An Election of any such other form of retirement benefit may be rescinded or changed prior to commencement of receipt of benefits by the Participant. Such rescission or change may be made without the consent of any contingent annuitant or Beneficiary that may have been designated by the Participant in conjunction with such form of retirement benefit. The following optional forms of payment may be offered under the Plan, subject to the Election of the Employer under **Part V-I** of the Joinder Agreement:

(a) Contingent Annuitant Options

- (1) In lieu of receiving the Participant's retirement benefit under the Normal Form, a Participant may elect to convert the Participant's benefit to the contingent annuitant option which provides for a retirement benefit payable to the retired Participant during the Participant's lifetime and for the continuation of benefit payments in a percentage (100%, 75%, 66-2/3% or 50%) of the Participant's reduced pension benefit to the Participant's previously designated contingent annuitant, if living, after the retired Participant's death.
- (2) If the contingent annuitant is the spouse of the retired Participant, the benefit payable under this option is payable without restriction. If, however, the contingent annuitant is any person other than the spouse of the retired Participant, the benefit payable under this option shall be limited to the extent that the present value of the payments to be made to the Participant during the Participant's lifetime shall be more than fifty percent (50%) of the present value of the total payments to be made to the Participant and the contingent annuitant.
- (3) Monthly benefit payments to the contingent annuitant shall commence on the first day of the month next following the month in which the death of the retired Participant occurs, provided the contingent annuitant is then living, and monthly benefit payments shall continue with the last monthly payment due immediately preceding the death of the contingent annuitant.
- (4) If the death of the contingent annuitant occurs before the Participant's actual retirement date, any Election of this option shall be deemed null and void and the retirement benefit shall be payable in the Normal Form, the same as if the contingent annuitant option had not been elected. If the contingent

annuitant predeceases the retired Participant after actual retirement, retirement benefit payments shall terminate with the monthly payment due immediately preceding the retired Participant's death.

(b) Option for Life Annuity With Period Certain

- (1) In lieu of receiving the Participant's retirement benefit under the Normal Form, a Participant may elect to convert the Participant's Normal Form benefit to this optional form which provides for a retirement benefit payable to the retired Participant during the Participant's lifetime with the guarantee that not less than sixty (60), one hundred twenty (120) or one hundred eighty (180) monthly retirement benefit payments shall be paid.
- (2) If the death of the retired Participant occurs on or after the Participant's actual retirement date but before the guaranteed number of monthly retirement benefit payments have been made, the remainder of such guaranteed number of monthly retirement benefit payments shall be paid as they become due to the Beneficiary designated by the retired Participant.

(c) Option for Life Annuity

In lieu of receiving the Participant's retirement benefit under the Normal Form (if the Normal Form is other than a single life annuity), a Participant may elect to convert the Normal Form benefit to this option which provides for a retirement benefit payable commencing on the Participant's actual retirement date and terminating with the last monthly payment due immediately preceding the Participant's death.

5.02 Commencement of Benefits - A Participant may elect to commence receiving distribution of the Participant's retirement benefits as of the Participant's Early Retirement Date, Normal Retirement Date, Late Retirement Date or Disability Retirement Date, whichever is applicable, or may defer such payments to a date not later than the required date for commencement of benefits determined under section 5.03 of Chapter III of the Master Plan and Trust. If a Participant elects immediate commencement of the retirement benefit, payments shall commence in accordance with **Part V-2** of the Joinder Agreement as soon as administratively feasible following the Participant's retirement date.

5.03 Required Distributions

- (a) Notwithstanding any other provision of this Plan, the entire benefit of any Participant who becomes entitled to benefits prior to the Participant's death shall be distributed either:
 - (1) not later than the Required Beginning Date, or
 - (2) over a period beginning not later than the Required Beginning Date and extending over the life of such Participant or over the lives of such Participant and a designated Beneficiary (or over a period not extending beyond the life expectancy of such Participant, or the joint life expectancies of such Participant and a designated Beneficiary).

If a Participant who is entitled to benefits under this Plan dies prior to the date when the Participant's entire interest has been distributed to him after distribution of the Participant's benefits has begun in accordance with paragraph (2) above, the remaining portion of such benefit shall be distributed at least as rapidly as under the method of distribution being used under paragraph (2) as of the date of the Participant's death.

- (b) If a Participant who is entitled to benefits under this Plan dies before distribution of the Participant's benefit has begun, the entire interest of Participant shall be distributed within five (5) years of the death of Participant, unless the following sentence is applicable. If any portion of the Participant's interest is payable to (or for the benefit of) a designated Beneficiary, such portion shall be distributed over the life of such designated Beneficiary (or over a period not extending beyond the life expectancy of such Beneficiary), and such distributions begin not later than one (1) year after the date of the Participant's death or such later date as provided by regulations issued by the Secretary of the Treasury, then for purposes of the five-year rule set forth in the preceding sentence, the benefit payable to the Beneficiary shall be treated as distributed on the date on which such distributions begin. Provided, however, notwithstanding the preceding sentence, if the designated Beneficiary is the surviving spouse of the Participant, then the date on which distributions are required to begin shall not be earlier than the date upon which the Participant would have attained age seventy and one-half (70 1/2) and, further provided, if the surviving spouse dies before the distributions to such spouse begin, this subparagraph shall be applied as if the surviving spouse were the Participant.
- (c) For purposes of this section, the following definitions and procedures shall apply:
- (1) "Required Beginning Date" shall mean April 1 of the calendar year following the later of:
 - (i) the calendar year in which the employee attains age seventy and one-half (70 1/2), or
 - (ii) the calendar year in which the employee retires.
 - (2) The phrase "designated Beneficiary" shall mean any individual designated by the employee under this Plan according to its rules.
 - (3) Any amount paid to a child shall be treated as if it had been paid to the surviving spouse if such amount will become payable to the surviving spouse upon such child reaching majority (or other designated event permitted under regulations issued by the Secretary of the Treasury).
 - (4) For purposes of this section, the life expectancy of an employee and/or the employee's spouse (other than in the case of a life annuity) may be re-determined but not more frequently than annually.

5.04 Rollover Distributions

(a) Small Amounts

- (1) In the absence of a directive from the Participant to pay a distribution directly to an Eligible Retirement Plan in a Direct Rollover or to receive the distribution directly, subject to subsection 5.04 (b) hereof, the Employer in its sole discretion, may direct the Plan Administrator to distribute in the form of a lump sum payment the vested benefit of a Participant who is terminating participation in the Plan if the actuarial present value of such benefit is five thousand dollars (\$5,000.00) or less and such Participant is vested in any portion of the Accrued Benefit hereunder. If the present value of such benefit is in excess of five thousand dollars (\$5,000) and the Participant has not attained the age of 62 or Normal Retirement Age, such benefit may not be distributed without the consent of the Participant.
- (2) In the event that a distribution greater than one thousand dollars (\$1,000) pursuant to subsection 5.04 (a) is made to a Participant before the Participant attains the later of age 62 or Normal Retirement Age and the Participant does not elect to have such distribution paid directly to an Eligible Retirement Plan specified by the Participant or to receive the distribution directly, the Plan Administrator will pay the distribution in a Direct Rollover to an individual retirement account or an individual retirement annuity described in Section 408(a) or Section 408(b) of the Code, as designated by the Plan Administrator.

(b) Direct Rollover by Participant

- (1) Notwithstanding any provision of the Plan to the contrary that would otherwise limit the Election of a Distributee (as hereinafter defined) under this subsection, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution that is equal to at least \$500 paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.
- (2) For purposes of this section, the following definitions shall apply:
 - (i) "Eligible Rollover Distribution" is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any 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 the Distributee's designated Beneficiary, or for a specified period of ten years or more; and any distribution to the extent such distribution is required under Code Section 401(a)(9).

For purposes of the Direct Rollover provisions in this subsection of the Plan, a portion of a distribution shall not fail to be an Eligible Rollover Distribution merely because the portion consists of after-tax employee contributions that are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Sections 408A(b), 408(a) or 408(b)

of the Code, or to a qualified defined contribution plan described in section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

- (ii) "Eligible Retirement Plan" is a qualified trust described in Code Section 401(a), an individual retirement account described in Code Section 408A(b) or Section 408(a), an individual retirement annuity described in Code Section 408(b), an annuity plan described in Code Section 403(a), an annuity contract described in Code Section 403(b), or an eligible plan under Section 457 (b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to accept such distribution and to separately account for amounts transferred into such plan from this Plan.
- (iii) "Distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414(p), are Distributees with regard to the interest of the spouse or former spouse. Effective for the Plan Year beginning in 2010, "Distributee" shall also include a non-spouse Beneficiary.
- (iv) "Direct Rollover" is a direct trustee-to-trustee transfer by the Plan to the Eligible Retirement Plan so specified.

5.05 Designation of Beneficiary - A Participant may designate a Beneficiary or Beneficiaries with respect to any benefits which may become payable upon the death of the Participant, and the Participant may from time to time change such Beneficiary or Beneficiaries. All such designations shall be made on forms provided by the Plan Administrator. In the absence of such a designation, if applicable, the Beneficiary of the Participant shall be the Participant's personal representative, if any, and if none, those persons entitled to the Participant's estate under the intestate laws of the state in which the Participant was domiciled at the time of death.

5.06 Non-Duplication of Benefits - To avoid any duplication of benefits, if any Participant ceases to be employed for any reason and is re-employed, any benefit payments then being paid pursuant to the terms of this Plan shall be suspended and future retirement benefits shall be coordinated in such a manner as to preclude any duplication hereunder.

ARTICLE VI

DISABILITY RETIREMENT

- 6.01 Disability Retirement- If the Employer elects to provide disability benefits in **Part VI-1** of the Joinder Agreement, a Participant who shall incur a Total and Permanent Disability as defined in **Part VI-1(B)** of the Joinder Agreement before attaining Normal Retirement Age shall be entitled to a Disability Retirement Benefit in accordance with this Article VI of Chapter III of the Master Plan and Trust.
- 6.02 Disability Retirement Benefit - A Participant who meets the eligibility requirements specified in **Part VI-1(A)** of the Joinder Agreement shall be entitled to a Disability Retirement Benefit determined in accordance with **Part VI-1(C)** of the Joinder Agreement. The amount of such benefit shall be specified in **Part VI-1(D)** of the Joinder Agreement.
- 6.03 Payment of Disability Benefits - Disability payments shall be payable as specified in **Part VI- 1(C)** of the Joinder Agreement, provided the Participant satisfies all necessary conditions for eligibility for disability benefits hereunder. However, if prior to the Participant's Normal Retirement Date, the Employer determines that the Participant is no longer eligible to receive such benefits, such benefits shall immediately cease. A Participant who ceases to be eligible for disability retirement benefits may be eligible to receive a deferred vested benefit or an early retirement benefit, depending upon whether the Participant had satisfied the eligibility requirements for same. For any person re-employed subsequent to receiving disability benefits hereunder, such Participant's service shall be calculated in accordance with the terms of **Part VI-1(E)** of the Joinder Agreement.
- 6.04 Verification of Disability - The Plan Administrator shall determine whether a Participant shall have incurred a Total and Permanent Disability. The Plan Administrator shall rely on the report of a physician acceptable to the Plan Administrator.

The Employer may require proof of continued disability but not more frequently than once in any six (6) month period. If any Participant shall refuse to submit to a medical examination or furnish proof of the Participant's continued disability upon the request of the Employer, the Participant's disability payments shall cease.

- 6.05 Notification to Plan Administrator of Cessation of Disability - A Participant who is receiving payment of Disability Retirement Benefits under this Plan must notify the Plan Administrator of any change which may cause a cessation of entitlement to receipt of such benefits hereunder. If a Participant fails to provide immediate notice to the Plan Administrator of any such change in status and continues to receive payment of benefits hereunder to which the Participant is not entitled, then the Plan Administrator may take whatever action is necessary to recover any amount of improperly paid amounts, including legal action or offsetting such amounts against any future payments of retirement or other benefits under the Plan, including the costs of such actions.

ARTICLE VII

DEATH BENEFITS

- 7.01 Death of Participant - Upon the occurrence of the death of a Participant, there shall be benefits payable in accordance with the following sections of this Article VII of Chapter III of the Master Plan and Trust. Notwithstanding any contrary provision in this Plan, effective January 1, 2007, the Beneficiary of a Participant on a leave of absence to perform military service with re-employment rights described in Code Section 414(u), where the Participant cannot return to employment on account of his or her death, shall be entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) that would be provided under the Plan had the Participant died as an active Employee, in accordance with Code Section 401(a)(37).
- 7.02 Death Benefits - If the Employer elects to provide death benefits in accordance with **Part VII-1(A) or (B)** of the Joinder Agreement, such benefits shall be provided in accordance with the terms of this section and the relevant sections of **Part VII-1** of the Joinder Agreement.
- (a) Pre-retirement Surviving Spouse Benefit - The benefit described under this section shall be payable only if the pre-retirement surviving spouse benefit is elected in **Part VII-1(A)** of the Joinder Agreement. If a married Participant dies while in the active service of the Employer or at a time when the Participant is eligible to retire on an Early Retirement Date (or Normal Retirement Date) or if such a Participant terminates employment with the Employer at a time when the Participant is eligible to receive early or normal retirement benefits and dies thereafter or prior to the date when the Participant's benefits commence, then the spouse of such Participant shall be eligible to receive a monthly benefit. The monthly benefit payable to the spouse shall be equal to the pension such spouse would have been eligible to receive if the Participant had retired under the early retirement provisions of the Plan on the first day of the month in which the Participant's death occurs with a fifty percent (50%) contingent annuitant option in effect designating the spouse as contingent annuitant.
- (b) Other Pre-retirement Benefit - The benefit provided to a Beneficiary other than to a surviving spouse as specified in **Part VII-1(A)**.
- (c) Post-retirement Death Benefit - If a terminated Participant shall die after benefit payments have commenced, no death benefits shall be payable under this section, and the death benefit payable, if any, shall be limited to that which is specified pursuant to the form of benefit payment in force for the benefit of such person at the time of the Participant's death, unless the Employer selects an additional post-retirement death benefit in accordance with **Part VII-1(B)** of the Joinder Agreement.
- (d) Refund of Employee Contributions - Notwithstanding the preceding, if employee contributions are required or permitted under the Plan, the death benefit payable under the Plan shall not be less than the Accumulated Contributions, determined as of the date of death in accordance with Sections 3.02, 3.03 and/or 3.05 of Chapter III of the Master Plan and Trust reduced by the sum of any retirement benefits paid to the Participant and/or Beneficiaries.

ARTICLE VIII

TERMINATION OF EMPLOYMENT

- 8.01 Rights of Terminated Employees - If a Participant shall cease to be an Employee, except as otherwise hereinbefore provided, the Participant's interest and rights under the Plan shall be limited to those contained in the following sections of this Article VIII.
- 8.02 Refund of Accumulated Contributions - If a Participant whose Employment with the Employer has been terminated for any reason prior to the Participant's Normal, Early or Disability Retirement Date, and the Participant is neither eligible for a pension under the Plan nor has the Participant elected to vest the Participant's benefit, such Participant or the Participant's Beneficiary shall be entitled to receive a refund of the Participant's Accumulated Contributions to the Plan. Even if a Participant whose Employment with the Employer has been terminated for any reason prior to the Participant's Normal, Early or Disability Retirement Date is eligible for a pension under the Plan, such Participant may elect to forfeit such pension and receive a refund of the Participant's Accumulated Contributions to the Plan. Upon receipt of such Accumulated Contributions, said Participant and the Participant's Beneficiary shall not be entitled to any further payments from the Plan.

Notwithstanding the preceding, if a Participant's survivors or Beneficiaries shall be entitled to a death benefit in accordance with Article VII of Chapter III of the Master Plan and Trust, such benefit shall be paid in lieu of a refund of the Participant's Accumulated Contributions; provided, however, that if the amount of the Participant's Accumulated Contributions exceeds the value of such death benefits, the difference shall be refunded to the Participant's Beneficiary in addition to the payment of the death benefit.

- 8.03 Deferred Vested Benefits - Subject to section 8.04 of Chapter III of the Master Plan and Trust, a deferred vested benefit shall accrue to a Participant who terminates employment prior to Normal Retirement Age for any reason other than retirement, death or Total and Permanent Disability in accordance with the following provisions:
- (a) Such Participant's vested benefit shall be a percentage of the Participant's Accrued Benefit determined as of such date of termination and based upon the vesting schedule selected in **Part VIII-I** of the Joinder Agreement.
 - (b) A Participant shall always be one hundred percent (100%) vested in any portion of the Participant's Accrued Benefit attributable to Employee contributions, whether mandatory or voluntary.
 - (c) If a Participant's employment terminates at a time when the Participant is not vested in any portion of the Participant's Accrued Benefit attributable to Employer contributions, such Participant shall be entitled to receive a refund of the Participant's own contributions to the Plan, with interest credited thereon at the rate specified under the provisions of section 3.02 of Chapter III of the Master Plan and Trust.
 - (d) Payments of a Participant's vested benefit shall be made by the Trustee, at the direction of the Plan Administrator and subject to the provisions of section 5.01 of Chapter III of the Master Plan and Trust, at the date which would have been such Participant's Normal Retirement Date had the Participant continued the Participant's

employment (or such earlier date as may be authorized by the Employer on a uniform and non-discriminatory basis with respect to all Plan Participants).

Notwithstanding the preceding, a Participant with an entitlement to a vested benefit may elect to commence receiving such benefit as of the date when the Participant would have been eligible for an early retirement pension as provided in section 4.02 of Chapter III of the Master Plan and Trust, had the Participant continued employment with the Employer; provided, however, that any payment of a vested Accrued Benefit as of a Participant's Early Retirement Date shall be subject to the reduction factor for early payment set forth in section 4.02 of Chapter III of the Master Plan and Trust. A Participant eligible to receive a Vested Benefit may be permitted to receive such benefit in any form of payment authorized for payment of retirement benefits under the provisions of section 5.01 of Chapter III of the Master Plan and Trust; provided, however, that the Participant may elect an optional form of payment only with the consent of the Plan Administrator. The Plan Administrator shall, after consulting with the Participant, and subject to the provisions of section 5.01 of Chapter III of the Master Plan and Trust, determine the time and form of any distribution of vested benefits hereunder in a non-discriminatory manner, and not contrary to any laws or regulations which may govern such distributions.

- 8.04 Forfeiture Upon Death - A Participant who terminates the Participant's employment with the Employer at a time when the Participant is not vested in any portion of the Participant's Accrued Benefit derived from Employer Contributions shall cease to be a Participant hereunder and shall not be entitled to any benefits under the Plan derived from Employer Contributions. Payment of a Participant's vested retirement benefit depends upon the Participant's continued survival to the date of the Participant's actual retirement on either an Early Retirement Date or Normal Retirement Date hereunder. Notwithstanding the preceding, in any case where a Participant has made employee contributions to the Plan, the current value of such contributions shall be refunded to the Beneficiary of the Participant, if the Participant dies prior to receipt of the Participant's vested benefit.
- 8.05 Application of Forfeitures - Amounts forfeited by any Participant may not be used to increase the benefits which other Participants would otherwise receive under the Plan; they shall be used only to reduce the Employer's contributions to the Plan.

ARTICLE IX

ADMINISTRATION

- 9.01 Plan Administrator - The Plan Administrator shall be the Committee or the individual appointed by the Board who shall have the power and authority to do all acts and to execute, acknowledge and deliver all instruments necessary to implement and effectuate the purpose of this Plan. The Plan Administrator may delegate authority to act on its behalf to any persons it deems appropriate. If a Plan Administrator is not appointed, the Board shall be the Plan Administrator.
- 9.02 Authority and Duties of the Plan Administrator - The Plan Administrator shall have full power and authority to do whatever shall, in its judgment, be reasonably necessary for the proper administration and operation of the Plan. The interpretation or construction placed upon any term or provision of the Plan by the Plan Administrator or any action of the Plan Administrator taken in good faith shall, upon the Board's review and approval thereof, be final and conclusive upon all parties hereto, whether Employees, Participants or other persons concerned. By way of specification and not limitation and except as specifically limited hereafter, the Plan Administrator is authorized:
- (a) to construe this Plan;
 - (b) to determine all questions affecting the eligibility of any Employee to participate herein;
 - (c) to compute the amount and source of any benefit payable hereunder to any Participant or Beneficiary;
 - (d) to authorize any and all disbursements;
 - (e) to prescribe any procedure to be followed by any Participant or other person in filing any application or Election;
 - (f) to prepare and distribute, in such manner as may be required by law or as the Plan Administrator deems appropriate, information explaining the Plan;
 - (g) to require from the Employer or any Participant such information as shall be necessary for the proper administration of the Plan; and
 - (h) to appoint and retain any individual to assist in the administration of the Plan, including such legal, clerical, accounting and actuarial services as may be required by any applicable law or laws.

The Plan Administrator shall have no power to add to, subtract from or modify the terms of the Plan or change or add to any benefits provided by the Plan, or to waive or fail to apply any requirements of eligibility for benefits under the Plan. Further, the Plan Administrator shall have no power to adopt, amend, or terminate the Plan, to select or appoint any Trustee or to determine or require any contributions to the Plan, said powers being exclusively reserved to the Board.

- 9.03 Plan Administrator Costs- The Plan Administrator shall serve without compensation for services unless otherwise agreed by the Board in writing. All reasonable expenses incident to the functioning of the Plan Administrator, including, but not limited to, fees of accountants, counsel, actuaries and other specialists, and other costs of administering the Plan, may be paid from the Trust Fund upon approval by the Board to the extent permitted under applicable law and not otherwise paid by the Employer.
- 9.04 Hold Harmless - No member of the Board, the Plan Administrator, the Enrolled Actuary, nor any other person involved in the administration of the Plan shall be liable to any person on account of any act or failure to act which is taken or omitted to be taken in good faith in performing their respective duties under the terms of this Plan. To the extent permitted by law, the Employer shall, and hereby does agree to, indemnify and hold harmless the Plan Administrator and each successor and each of any such individual's heirs, executors and administrators, and the delegates and appointees (other than any person, bank, firm or corporation which is independent of the Employer and which renders services to the Plan for a fee) from any and all liability and expenses, including counsel fees, reasonably incurred in any action, suit or proceeding to which he is or may be made a party by reason of being or having been a member, delegate or appointee of the Plan Administrator, except in matters involving criminal liability, intentional or willful misconduct. If the Employer purchases insurance to cover claims of a nature described above, then there shall be no right of indemnification except to the extent of any deductible amount under the insurance coverage or to the extent of the amount the claims exceed the insured amount.
- 9.05 Approval of Benefits - The Plan Administrator 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 denial of an application for retirement benefits shall be in writing and shall specify the reason for such denial.
- 9.06 Appeal Procedure - Any person whose application for retirement benefits is denied, who questions the amount of benefit paid, who believes a benefit should have commenced which did not so commence or who has some other claim arising under the Plan ("Claimant"), shall first seek a resolution of such claim under the procedure hereinafter set forth.
- (a) Any Claimant shall file a Notice of the claim with the Plan Administrator which shall fully describe the nature of the claim. The Plan Administrator shall review the claim and make an initial determination approving or denying the claim.
- (b) If the claim is denied in whole or in part, the Plan Administrator shall, within ninety (90) days (or such other period as may be established by applicable law) from the time the application is received, mail Notice of such denial to the Claimant. Such ninety (90) day period may be extended by the Plan Administrator if special circumstances so require for up to ninety (90) additional days by the Plan Administrator's delivering Notice of such extension to the Claimant within the first ninety (90) day period. Any Notice hereunder shall be written in a manner calculated to be understood by the Claimant and, if a Notice of denial, shall set forth (i) the specific Plan provisions on which the denial is based; (ii) an explanation of additional material or information, if any, necessary to perfect such claim and a statement of why such material or information is necessary; and, (iii) an explanation of the review procedure.

- (c) Upon receipt of Notice denying the claim, the Claimant shall have the right to request a full and fair review by the Board of the initial determination. Such request for review must be made by Notice to the Board within sixty (60) days of receipt of such Notice of denial. During such review, the Claimant or a duly authorized representative shall have the right to review any pertinent documents and to submit any issues or comments in writing. The Board shall, within sixty (60) days after receipt of the Notice requesting such review, (or in special circumstances, such as where the Board in its sole discretion holds a hearing, within one hundred twenty (120) days of receipt of such Notice), submit its decision in writing to the person or persons whose claim has been denied. The decision shall be final, conclusive and binding on all parties, shall be written in a manner calculated to be understood by the Claimant and shall contain specific references to the pertinent Plan provisions on which the decision is based.
- (d) Any Notice of a claim questioning the amount of a benefit in pay status shall be filed within ninety (90) days following the date of the first payment which would be adjusted if the claim is granted unless the Plan Administrator allows a later filing for good cause shown.
- (e) A Claimant who does not submit a Notice of a claim or a Notice requesting a review of a denial of a claim within the time limitations specified above shall be deemed to have waived such claim or right to review.
- (f) Nothing contained herein is intended to abridge any right of a Claimant to appeal any final decision hereunder to a court of competent jurisdiction under 2 Pa. C.S.A. Section 752. No decision hereunder is a final decision from which such an appeal may be taken until the entire appeal procedure of this section 9.06 of Chapter III of the Master Plan and Trust has been exhausted.

ARTICLE X

THE TRUST FUND

- 10.01 Operation of the Trust Fund - The amount allocated to the Plan's account in the Trust Fund shall be held, managed, and administered pursuant to the terms of Article III of Chapter I of the Master Plan and Trust, subject to the provisions of the laws of the Commonwealth.

The Plan's account in the Trust Fund shall be used to pay benefits as provided in this Plan and, to the extent not paid directly by the Employer, to pay the expenses of administering the Plan pursuant to authorization by the Employer.

The Employer intends the Plan to be permanent and for the exclusive benefit of its Employees. It expects to make the contributions to the Trust Fund required under the Plan. The Employer shall not be liable in any manner for any insufficiency in the amount allocated to the Plan's account in the Trust Fund. Benefits to Participants are payable only from the Plan's account in the Trust Fund, and only to the extent that there are monies available therein. The Plan's account in the Trust Fund will consist of all funds held by the Employer under the Plan, including contributions made pursuant to the provisions hereof and the investments, reinvestments and proceeds thereof. The Trust Fund shall be held, managed, and administered pursuant to the terms of the Master Plan and Trust.

- 10.02 Powers and Duties of the Employer - With respect to the Plan's account in the Trust Fund, the Employer shall have the following powers, rights and duties in addition to those vested in it elsewhere in the Plan or by law, unless such duties are delegated to the Trustee.
- (a) To consent to the investment of the assets of the Plan with assets of other eligible, participating plans through such a medium as hereby specifically authorized. Any assets of the Plan 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 this Plan, to the extent of the participation in such collective or commingled Trust Fund by the Plan;
 - (b) To consent to any payment or distribution required or advisable to carry out the provisions of this Plan;
 - (c) To compromise, contest, arbitrate, enforce or abandon claims and demands with respect to this Plan;
 - (d) 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;
 - (e) To pay, and to deduct from and charge against the Plan's account in the Trust Fund, any taxes which may be imposed thereon, whether with respect to the income, property or transfer thereof, or upon or with respect to the interest of any person therein, which the Trust Fund 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 Fund, the income, property or transfer thereof, or in any matter or thing connected therewith; and

- (f) The Employer shall have all of the powers, rights, and privileges conferred upon trustees by the Pennsylvania Fiduciaries Investment Act, or as the same may be subsequently modified or amended, and the power to do all acts, take all proceedings and execute all rights and privileges, although not specifically mentioned herein, as the Employer may deem necessary to administer this Plan.
- 10.03 Common Investments - The Employer shall not be required to make separate investments for individual Participants or to maintain separate investments for each Participant's account, but may invest contributions and any profits or gains therefrom in common investments.
- 10.04 Compensation and Expenses of Appointed Trustee - If a trustee is appointed, the trustee shall be entitled to such reasonable compensation as shall from time to time be agreed upon by the Employer 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 Employer or the Trust Fund, which may be executed at any time after thirty (30) days written notice to the Employer. The Employer shall be under no obligation to pay such costs and expenses, and, in the event of its failure to do so, the Trustee shall be entitled to pay the same, or to be reimbursed for the payment thereof, from the Trust Fund.
- 10.05 Periodic Accounting - The Trust Fund shall be evaluated annually, or at more frequent intervals, by the Trustee and a written accounting rendered as of each fiscal year end of the Trust Fund, and as of the effective date of any removal or resignation of the Trustee, and such additional dates as requested by the Employer, showing the condition of the Trust Fund 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.
- 10.06 Value of the Trust Fund - All determinations as to the value of the assets of the Trust Fund, and as to the amount of the liabilities thereof, shall be made by the Employer or Trustee, whose decisions shall be final and conclusive and binding on all parties hereto, the Participants and Beneficiaries and their estates. In making any such determination, the Employer or Trustee shall be entitled to seek and rely upon the opinion of or any information furnished by brokers, appraisers and other experts reasonably believed to be reliable, and 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 financial publications.

ARTICLE XI

AMENDMENT AND TERMINATION

- 11.01 Amendment of the Joinder Agreement - The Employer shall have the right to amend its Joinder Agreement at any time. Any such amendment by the Employer shall be made by execution of a revised Joinder Agreement executed on behalf of the Employer by a duly authorized official and by transmitting said Joinder Agreement to the Administrator for acceptance hereunder. However, in the case of any Plan maintained pursuant to Chapter III, 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 Employer. 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.
- 11.02 Restriction on Amendments - Notwithstanding the preceding, the right of the Employer to amend the Joinder Agreement shall be subject to the following restrictions:
- (a) no amendment shall deprive any Participant or any Beneficiary of a deceased Participant of any of the benefits to which each is entitled under this Plan with respect to contributions previously made;
 - (b) no amendment shall provide for the use of funds or assets held under this Plan other than for the benefit of Employees and no funds contributed to this Plan or assets of this Plan shall, except as provided in Section 11.05 of Chapter III of the Master Plan and Trust, ever revert to or be used or enjoyed by the Employer; and
 - (c) no amendment to the Joinder Agreement which provides for a benefit modification shall be made unless the cost estimate described in section 12.03 of Chapter III of the Master Plan and Trust has been prepared and presented to the Board in accordance with the Act.
- 11.03 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 Fund 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.
- 11.04 Distribution Upon Termination - In the event of the termination of the Plan, all amounts of vested benefits accrued by the affected Participants as of the date of such termination, to the extent funded on such date, shall be non-forfeitable hereunder. In the event of termination of this 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 the provisions; or
 - (b) that the Plan Administrator immediately distribute to each Participant an amount equal to the vested Accrued Benefit to the date of termination of the Plan.

If there are insufficient assets in the Plan's account in the Trust Fund 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 the 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.

11.05 Residual Assets - If all liabilities to vested Participants and any others entitled to receive a benefit under the terms of the Plan have been satisfied and there remain any residual assets in the Plan's account in the Trust Fund, such residual assets remaining 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.

11.06 Exclusive Benefit Rule - In the event of the discontinuance and termination of this Plan as provided herein, the Employer shall dispose of its account in 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 Plan's account in 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 XII

FUNDING STANDARD REQUIREMENTS

12.01 Actuarial Valuations - The Plan's Chief Administrative Officer shall perform an actuarial valuation at least biennially unless the Employer is applying or has applied for supplemental state assistance pursuant to Section 603 of the Act, whereupon actuarial valuation reports shall be made annually.

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

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

The expenses attributable to the preparation of any actuarial valuation report or investigation required by the Act or any other expense which is permissible under the terms of the Act and which are directly associated with administering the Plan shall be an allowable administrative expense payable from the assets of the Plan's account in the Trust Fund. Such allowable expenses shall include but not be limited to the following:

- (a) investment costs associated with obtaining authorized investments and investment management fees;
- (b) accounting expenses;
- (c) premiums for insurance coverage on Fund assets;
- (d) reasonable and necessary counsel fees incurred for advice or to defend the Fund; and
- (e) legitimate travel and education expenses for Plan officials; provided, however, that the municipal officials of the Employer, in their fiduciary role, shall monitor the services provided to the Plan to ensure that the expenses are necessary, reasonable and benefit the Plan; and further provided, that the Plan Administrator shall document all such expenses item by item, and where necessary, hour by hour.

12.02 Duties of Chief Administrative Officer - Such actuarial reports shall be prepared and filed under the supervision of the Chief Administrative Officer. The 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 Municipal 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 Municipal Obligation of the Employer to the Board annually and shall certify the accuracy of such calculations and their conformance with the Act.

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

ARTICLE XIII

MISCELLANEOUS PROVISIONS

- 13.01 Employment Rights - 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 this Plan shall not give any right to any Employee to be retained in the employ of the Employer, or interfere with the right of the Employer to discharge any Employee and to deal with such Employee without regard to the effect such treatment might have upon participation in this Plan.
- 13.02 Meaning of Certain Words - For purposes of this Plan, the masculine gender shall include the feminine gender and the singular shall include the plural, and vice versa, in all cases wherever the person or context shall plainly so require. Headings of Articles and sections are inserted only for convenience of reference and are not to be considered in the construction of the Plan.
- 13.03 Information to Be Furnished By the Employer - The Employer shall furnish to the Plan Administrator (and where applicable, the Trustee) information in the Employer's possession as the Plan Administrator and the Trustee shall require from time to time to perform their duties under the Plan.
- 13.04 Severability of Provisions - Should any provisions of this Plan be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions of this Plan, and this Plan shall be construed and enforced as if said illegal and invalid provisions had never been included herein.
- 13.05 Incapacity of Participant - If any Participant shall be physically or mentally incapable of receiving or acknowledging receipt of any payment of pension benefits hereunder, the Plan Administrator, upon the receipt of satisfactory evidence that such Participant is so incapacitated and that another person or institution is maintaining the Participant and that no guardian or committee has been appointed for the Participant, may provide for such payment of pension benefits hereunder to such person or institution so maintaining the Participant, and any such payments so made shall be deemed for every purpose to have been made to such Participant.
- 13.06 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.
- 13.07 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 Plan Administrator, at its sole option, may pay such benefits to the surviving spouse of such deceased Participant, or, if there is no surviving spouse, to such Participant's then living issue, per stirpes; provided, however, that nothing contained herein shall prevent the Plan Administrator from insisting upon the

commencement of estate administration proceedings and the delivery of any such benefits to a duly appointed executor or administrator.

- 13.08 Assets of the Fund - Nothing contained herein shall be deemed to give any Participant or Beneficiary any interest in any specific property of the Trust Fund or any right except to receive such distributions as are expressly provided for under this Plan.
- 13.09 Personal Liability - Subject to the provisions of the Act and unless otherwise specifically required by other applicable laws, no past, present or future officer or agent of the Employer or Plan Administrator shall be personally liable to any Participant, Beneficiary or other person under any provision of this Plan.