

1 HB482  
2 149950-3  
3 By Representative Robinson (O) (N & P)  
4 RFD: Jefferson County Legislation  
5 First Read: 20-MAR-13

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ENROLLED, An Act,

Relating to Jefferson County, to repeal and replace the plan for The General Retirement System for Employees of Jefferson County; to eliminate obsolete provisions and incorporate required federal tax laws, rules, and regulations; to provide for definitions, administration, eligibility, contributions, amendment and valuation provisions, plan termination, and certain miscellaneous provisions; and to repeal certain acts.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The plan for The General Retirement System for Employees of Jefferson County is restated to read as follows:

BACKGROUND

This is a defined benefit pension plan, to be known as "The General Retirement System for Employees of Jefferson County" (the "Plan" or the "System").

The Plan was originally established in Acts 1965, No. 497, 1965 Regular Session (Acts 1965, p. 717), which has been amended from time to time (the "Act"), for the purpose of providing retirement or other specified benefits to eligible individuals.

1           Assets from the Previous Retirement Systems were  
2 transferred to this Plan, and the System is responsible for  
3 all obligations of such Previous Retirement Systems.

4           The Plan is intended to be a "governmental plan"  
5 within the meaning of IRC Section 414(d) and within the  
6 meaning of Section 3(32) of the Employee Retirement Income  
7 Security Act of 1974, as amended, ("ERISA") and, as such, is  
8 exempted from the provisions of Title I of ERISA.

9           Section 2. ARTICLE I

10          DEFINITIONS

11          1.1 "Act" means this Act, to be called "The General  
12 Retirement System For Employees of Jefferson County Act."

13          1.2 "Active Member" is an individual that currently  
14 is employed by the County and is making Employee Contributions  
15 to the System.

16          1.3 "Actuarial Equivalent" means, effective July 30,  
17 1984 or such other dates as set forth in Exhibit A (which is  
18 maintained in the office of the Pension Board), a form of  
19 benefit differing in time, period, or manner of payment from a  
20 specific benefit provided under the Plan but having the same  
21 value when computed using the mortality tables, the interest  
22 rate and any other assumptions last adopted by the Pension  
23 Board ("Assumptions"), which Assumptions shall clearly  
24 preclude any discretion in the determination of the amount of  
25 a Member's benefit.

1           1.4 "Actuarial Gain" is as defined in Section  
2 5.7(f) (1).

3           1.5 "Annuity Starting Date" (as used in Article VI  
4 (IRC Section 415 Limitations) and in Section 5.7 (Minimum  
5 Distribution Requirements)) means, with respect to any Member,  
6 the first day of the first period for which an amount is paid  
7 as an annuity, or, in the case of a benefit not payable in the  
8 form of an annuity, the first day on which all events have  
9 occurred which entitles the Member to such benefit.

10          1.6 "Another Pension System" (as used in Sections  
11 4.3(c) and 5.5(c)) means a pension system established by or  
12 under laws of the State of Alabama for public officers and  
13 public employees other than the System establishing this Plan,  
14 which other pension system proscribes or otherwise does not  
15 allow for voluntary withdrawal by the Member from said other  
16 pension system.

17          1.7 "Basic Average Salary" generally means,  
18 effective as of February 1, 2010, the monthly Compensation of  
19 a Member averaged over the period of thirty-six (36)  
20 consecutive months of Paid Membership Time during which such  
21 Member's average monthly Compensation was higher than any  
22 other period of thirty-six (36) consecutive months of Paid  
23 Membership Time. For example, if a Member terminated  
24 employment on June 20, 2010 and his or her highest consecutive  
25 thirty-six (36) month period ends of the Member's date of

1 termination of employment, then the measuring period for  
2 determining Basic Average Salary would be from June 21, 2007  
3 through June 20, 2010. The following rules shall apply in  
4 calculating Basic Average Salary:

5 (a) Daily Compensation Calculation. Subject to the  
6 additional rules stated in this Section 1.7 below, the  
7 Compensation earned in each year (or portion of a year) during  
8 said thirty-six (36)-month period shall be determined on a  
9 daily basis. The total of the Compensation earned in each  
10 applicable year (or portion thereof) shall be added together  
11 and then divided by thirty-six (36) to arrive at the Member's  
12 Basic Average Salary. If the foregoing process is not workable  
13 in some situations, then the Pension Board shall approve a  
14 different method which is reasonable given the terms of the  
15 Act and the individual circumstances.

16 (b) Use of Unpaid Membership Time. The Compensation  
17 paid to a Member during Unpaid Membership Time shall only be  
18 considered in determining such Member's Basic Average Salary  
19 for periods of employment prior to August 16, 1996.

20 (c) Tacking of Non-Consecutive Paid Membership Time.  
21 Separate periods of Paid Membership Time may be tacked and  
22 considered as consecutive if the Member does not have any Paid  
23 Membership Time between the periods so tacked (for example,  
24 due to a leave of absence, in which case the leave of absence  
25 would be ignored in calculating Basic Average Salary).

1 (d) Post-Termination Compensation. Compensation paid  
2 subsequent to termination of participation in the System  
3 pursuant to Section 3.3 (due to ineligibility) shall not be  
4 recognized in computing Basic Average Salary. However,  
5 notwithstanding any provisions of this Plan to the contrary, a  
6 Member's final paycheck from the County shall be counted in  
7 computing a Member's Basic Average Salary, but only to the  
8 extent that (1) such paycheck constitutes Compensation, and  
9 (2) the highest consecutive thirty-six (36) month period  
10 otherwise would end on the date of the Member's termination of  
11 employment.

12 1.8 "Beneficiary" means the person (or entity)  
13 designated as provided in Section 5.4(d) to receive the  
14 benefits which are payable under the Plan upon or after the  
15 death of a Member.

16 1.9 "Civil Service System" means the personnel  
17 system administered and operated by the Jefferson County  
18 Personnel Board.

19 1.10 "Commission" means the Jefferson County  
20 Commission.

21 1.11 "Compensation" with respect to any Member  
22 means:

23 (a) the regular salary or hourly wages paid to a  
24 Member, based on his or her pay grade, as established by the  
25 Jefferson County Personnel Board (or other appropriate

1 authority) for a calendar year ending with or within the  
2 applicable Plan Year;

3 (b) plus any accumulated vacation time paid by the  
4 County;

5 (c) plus Worker's Compensation Benefits, only as  
6 described in Section 1.59; and

7 (d) any differential wage payment (as defined in IRC  
8 Section 3401(h)(2), generally relating to military pay).

9 Bonuses, overtime, longevity pay, paid accumulated  
10 sick leave, uniform allowances, expense allowances, and any  
11 other non-regular forms of compensation are excluded.

12 Compliance with IRC Section 401(a)(17). Because the  
13 transitional rule provided by Regulation Section  
14 1.401(a)(17)-1(d)(4) of the Regulations issued under IRC  
15 Section 401(a)(17) does not apply to the Plan, Compensation of  
16 each Member taken into account in determining benefit accruals  
17 in any Plan Year beginning after December 31, 2001, shall not  
18 exceed \$200,000 (or such other amount provided in the IRC).  
19 Such amount shall be adjusted for increases in the cost of  
20 living in accordance with IRC Section 401(a)(17)(B), except  
21 that the dollar increase in effect on January 1 of any  
22 calendar year shall be effective for the calendar years  
23 beginning with such calendar year. For any short calendar  
24 year, the Compensation limit shall be an amount equal to the  
25 Compensation limit for the calendar year in which the calendar

1 year begins multiplied by the ratio obtained by dividing the  
2 number of full months in the short calendar year by  
3 twelve (12). For purposes of determining benefit accruals in a  
4 Plan Year beginning after December 31, 2001, Compensation for  
5 any prior calendar year shall be limited to \$150,000 for any  
6 calendar year beginning in 1996, \$160,000 for any calendar  
7 year beginning in 1997, 1998, or 1999; and \$170,000 for any  
8 calendar year beginning in 2000 or 2001. See also Section  
9 5.1(a)(4).

10 1.12 "County" means Jefferson County, Alabama and  
11 any successor which shall maintain this Plan. However,  
12 references herein to employment by the County also shall  
13 include employment by entities for which the County is acting  
14 as payroll agent or wherein the County is being reimbursed by  
15 an entity for the compensation of such entities' workers or  
16 wherein the entity has "appointing authority" with respect to  
17 the workers. Accordingly, such entities' workers shall be  
18 covered by the Plan to the extent allowed under the Act and as  
19 determined by the Pension Board in its administration of the  
20 Plan.

21 1.13 "County Treasurer" means an elected official of  
22 the County who is responsible for receiving and segregating  
23 into the Trust Fund all assets of the System.

24 1.14 "Deferred Retirement Benefit" means a benefit  
25 payable pursuant to the terms of Section 5.1(c).



1           1.15 "Designated Beneficiary" is as defined in  
2 Section 5.4(d).

3           1.16 "Disability Retirement Benefit" means a benefit  
4 payable pursuant to the terms of Section 5.3.

5           1.17 "Distribution Calendar Year" is as defined in  
6 Section 5.7(f) (3).

7           1.18 "Early Retirement Benefit" means a benefit  
8 payable pursuant to the terms of Section 5.1(b).

9           1.19 "Effective Date" is January 1, 2010, except as  
10 otherwise provided.

11           1.20 "Eligible Cost-of-Living Index" is as defined  
12 in Section 5.7(f) (4).

13           1.21 "Eligible Employee" means the following  
14 individuals affiliated with Jefferson County, Alabama or the  
15 State of Alabama:

16           (a) Any person employed by Jefferson County at a  
17 wage or salary payable at regular intervals, whether or not  
18 such person is subject to the Civil Service System in  
19 operation in Jefferson County.

20           (b) Any person who served as an employee of a  
21 License Inspector prior to the time a retirement system became  
22 operative in Jefferson County, not exceeding twenty (20)  
23 years, whether such service was under the State of Alabama or  
24 under Jefferson County.

1           (c) Any person who served or serves as (i) the  
 2           Solicitor of the Juvenile Court of Jefferson County, (ii) the  
 3           Solicitor of the Domestic Relations Court of Jefferson County,  
 4           or (iii) the Solicitor of the Criminal Court of Jefferson  
 5           County.

6           (d) Any person who served or serves as a deputy  
 7           appointed by the Circuit Solicitor serving in Jefferson  
 8           County, to the extent that the compensation of said deputy is  
 9           paid by Jefferson County.

10          (e) Any person who served or serves as an employee  
 11          of the Cooperative Extension Service of the State of Alabama,  
 12          provided such person was receiving or shall be receiving,  
 13          monthly compensation from Jefferson County for service  
 14          performed by such person.

15          (f) Any person elected or appointed to a job or  
 16          position with or for Jefferson County, whose compensation was  
 17          paid or shall be paid, in whole or in part, by Jefferson  
 18          County while occupying such job or position.

19          (g) Any person regularly employed by the Library  
 20          Board of the City of Birmingham whose duties are performed  
 21          under the direct supervision of the Library Board, who  
 22          receives his or her salary, directly or indirectly, from the  
 23          public funds of Jefferson County, excluding members of the  
 24          Library Board and excluding officers of the Library Board who  
 25          are elected by the people.

1           (h) Any person who serves as the deputy solicitor  
2 servicing Jefferson County to the extent that the compensation  
3 of said deputy solicitor is paid by Jefferson County  
4 ("Eligible Deputy Solicitors").

5           (i) Any person who occupies a county office in  
6 Jefferson County that is created by an Act of the Legislature  
7 of the State of Alabama or is provided for by the Alabama  
8 Constitution, and such office requires full-time service  
9 ("Eligible County Office Employee").

10          (j) Any person who serves as the Circuit Solicitor  
11 servicing Jefferson County to the extent that the compensation  
12 of said Circuit Solicitor is paid by Jefferson County  
13 ("Eligible Circuit Solicitor").

14          (k) Any person who is an officer or an employee of a  
15 hospital created by Jefferson County if such person's  
16 employment status with the hospital is such that if the person  
17 had the same employment status with Jefferson County, he would  
18 be an Eligible Employee ("Eligible Hospital Employee").

19           An "Eligible Employee" shall not include:

20           (1) Any person who is appointed or elected as a  
21 member of any board or commission of Jefferson County,  
22 provided that service on such board or commission does not  
23 require full-time service or the members on said board or  
24 commission receive no compensation for their service except  
25 for meetings attended by them.

1           (2) Any person whose employment is temporary so long  
2 as his or her employment remains temporary. A person's  
3 employment shall be deemed to be "temporary" within the  
4 meaning of this Section 1.21 if such employment is temporary  
5 as defined by the Civil Service System, or if the officers,  
6 board, commission, or agency employing such person certifies  
7 in writing to the Pension Board that said employment is  
8 temporary.

9           (3) Any leased employee and any independent  
10 contractor.

11           1.22 "Employee" means any person who is employed by  
12 the County or elected or appointed to a job or position with  
13 or for the County. An "Employee" shall exclude any leased  
14 employee and any independent contractor as such terms are  
15 defined by the Pension Board or the Civil Service System. See  
16 also Section 1.12, which covers situations in which other  
17 entities may be the employer of Eligible Employees.

18           1.23 "Employee Contribution" means (i) the amount a  
19 Member is required to contribute to the Plan as a condition of  
20 employment and participation in the Plan pursuant to  
21 Section 4.3 and (ii) any amount required to be treated as an  
22 Employee Contribution in accordance with Section 9.1(b)  
23 (relating to transfers from IRC Section 457(b) plans).

1           1.24 "Employer Contribution" means the amount the  
2 County is required to contribute to the Plan pursuant to  
3 Section 2.1(b) and Section 4.1(a).

4           1.25 "Fiscal Year" means the System's accounting  
5 year of twelve (12) months commencing on October 1 of each  
6 year and ending the following September 30.

7           1.26 "415 Compensation" with respect to any Member  
8 means such Member's wages as defined in IRC Section 3401(a)  
9 and all other payments of compensation by the County (in the  
10 course of the County's trade or business) for a calendar year  
11 ending with or within the Plan Year for which the County is  
12 required to furnish the Member a written statement under IRC  
13 Sections 6041(d), 6051(a)(3) and 6052. 415 Compensation must  
14 be determined without regard to any rules under IRC Section  
15 3401(a) that limit the remuneration included in wages based on  
16 the nature or location of the employment or the services  
17 performed (such as the exception for agricultural labor in IRC  
18 Section 3401(a)(2)).

19           Notwithstanding the above, the determination of 415  
20 Compensation shall be made by including any elective deferral  
21 (as defined in IRC Section 402(g)(3)), and any amount which is  
22 contributed by the County at the election of the Member  
23 pursuant to a salary reduction agreement and which is not  
24 includible in the gross income of the Member by reason of IRC  
25 Sections 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b) or

1 457(b), and Employee contributions described in IRC Section  
2 414(h)(2) that are treated as Employer Contributions. For this  
3 purpose, effective January 1, 1998, amounts not includible in  
4 gross income under IRC Section 125 shall be deemed to include  
5 any amounts not available to a Member in cash in lieu of group  
6 health coverage because the Member is unable to certify that  
7 the Member has other health coverage, provided the County does  
8 not request or collect information regarding the Member's  
9 other health coverage as part of the enrollment process for  
10 the health plan.

11 Compensation Paid After Severance from Employment.  
12 With respect to limitation years beginning on and after July  
13 1, 2007, 415 Compensation shall be adjusted for the following  
14 types of compensation paid after a Member's severance from  
15 employment with the County (or any other entity that is  
16 treated as the County pursuant to IRC Section 414(b), (c), (m)  
17 or (o)):

18 (a) The following amounts shall be included in 415  
19 Compensation to the extent these amounts are paid by the later  
20 of 2 months after severance from employment or by the end of  
21 the limitation year that includes the date of such severance  
22 from employment:

23 (1) Regular Pay. 415 Compensation shall include  
24 regular pay after severance from employment if:

1           (i) The payment is regular compensation for services  
 2 during the Member's regular working hours, or compensation for  
 3 services outside the Member's regular working hours (such as  
 4 overtime or shift differential), commissions, bonuses, or  
 5 other similar payments; and

6           (ii) The payment would have been paid to the Member  
 7 prior to a severance from employment if the Member had  
 8 continued in employment with the County.

9           (2) Leave Cashouts. 415 Compensation shall include  
 10 leave cashouts if those amounts would have been included in  
 11 the definition of 415 Compensation if they were paid prior to  
 12 the Member's severance from employment, and the amounts are  
 13 payment for unused accrued bona fide sick, vacation, or other  
 14 leave, but only if the Member would have been able to use the  
 15 leave if employment had continued.

16           (3) Deferred Compensation. 415 Compensation shall  
 17 include deferred compensation if the compensation would have  
 18 been included in the definition of 415 Compensation if it had  
 19 been paid prior to the Member's severance from employment, and  
 20 the compensation is received pursuant to a nonqualified  
 21 unfunded deferred compensation plan, but only if the payment  
 22 would have been paid at the same time if the Member had  
 23 continued in employment with the County and only to the extent  
 24 that the payment is includible in the Member's gross income.

1           (b) The following amounts shall not be included in  
2 415 Compensation:

3           (1) Salary Continuation Payments for Military  
4 Service Participants. 415 Compensation does not include  
5 payments to an individual who does not currently perform  
6 services for the County by reason of Qualified Military  
7 Service to the extent those payments do not exceed the amounts  
8 the individual would have received if the individual had  
9 continued to perform services for the County rather than  
10 entering Qualified Military Service.

11           (2) Salary Continuation Payments for Disabled  
12 Participants. 415 Compensation does not include compensation  
13 paid to a Member who is permanently and totally disabled (as  
14 defined in IRC Section 22(e)(3)).

15           Administrative Delay ("the First Few Weeks") Rule.  
16 With respect to limitation years beginning on and after July  
17 1, 2007, 415 Compensation does not include amounts earned but  
18 not paid during the limitation year solely because of the  
19 timing of pay periods and pay dates.

20           Back Pay. With respect to limitation years beginning  
21 on and after July 1, 2007, payments awarded by an  
22 administrative agency or court or pursuant to a bona fide  
23 agreement by the County to compensate a Member for lost wages  
24 are 415 Compensation for the limitation year to which the back  
25 pay relates, but only to the extent such payments represent



1 wages and compensation that would otherwise be included in 415  
2 Compensation.

3 1.27 "Investment Manager" means an entity that  
4 (i) has the power to manage, acquire, or dispose of Plan  
5 assets and (ii) acknowledges fiduciary responsibility to the  
6 Plan in writing. Such entity must be a person, firm, or  
7 corporation registered as an investment adviser under the  
8 Investment Advisers Act of 1940, a bank, or an insurance  
9 company.

10 1.28 "Involuntary Deferred Retirement Benefit" means  
11 a benefit payable pursuant to the terms of Section 5.1(c)(3).

12 1.29 "IRC" means the Internal Revenue Code of 1986,  
13 as amended or replaced from time to time.

14 1.30 "Joint Survivorship Pension" means either a  
15 Pre-Retirement Joint Survivorship Pension or a Post-Retirement  
16 Joint Survivorship Pension.

17 1.31 "Life Expectancy" is as defined in Section  
18 5.7(f)(5).

19 1.32 "Medical Advisor" means the Pension Board's  
20 medical advisors or other appointed physicians or vocational  
21 specialists.

22 1.33 "Member" means any Eligible Employee who,  
23 depending on the context as used throughout this Plan,  
24 participates, or participated, in the Plan.

1           1.34 "Non-Service Connected Disability" means a  
2 Total Disability or Partial Disability while the Member is  
3 employed by the County, that is not a Service Connected  
4 Disability.

5           1.35 "Paid Membership Time" means the time during  
6 which a Member made, or shall have made, Employee  
7 Contributions to the System and other Previous Retirement  
8 Systems, provided, however, that if a Member, for any reason,  
9 including termination of employment, withdraws his or her  
10 Employee Contributions, the period during which the Employee  
11 Contributions are withdrawn shall be considered Unpaid  
12 Membership Time, unless it is converted to Paid Membership  
13 Time as provided for in Section 3.4 herein. Paid Membership  
14 Time also shall include a Member's absence due to Qualified  
15 Military Service. Years of Paid Membership Time shall be  
16 calculated in accordance with Section 4.5.

17           1.36 "Partial Disability" means a permanent  
18 disability that is less than a Total Disability determined in  
19 accordance with Section 5.3(c).

20           1.37 "Pension Board" means the administrator of the  
21 Plan, as more fully described in Article II.

22           1.38 "Pension Coordinator" means the individual  
23 designated by the Pension Board to manage the day-to-day  
24 administration of the System, including any other person who  
25 works for the System that acts as a designated agent of such

1 individual. Such individual shall not be subject to the Civil  
2 Service System.

3 1.39 "Plan" or "System" means "The General  
4 Retirement System for Employees of Jefferson County," which  
5 Plan or System may sue or be sued, and in such name all of its  
6 business shall be transacted.

7 1.40 "Plan Year" means the Plan's accounting year of  
8 twelve (12) months commencing on January 1 of each year and  
9 ending the following December 31.

10 1.41 "Post-Retirement Joint Survivorship Pension"  
11 means the benefit described in Section 5.2.

12 1.42 "Pre-Retirement Joint Survivorship Pension"  
13 means the benefit described in Section 5.4.

14 1.43 "Previous Retirement Systems" means the  
15 retirement systems established by Acts 1953, No. 551, 1953  
16 Regular Session (Acts 1953, p. 766), as amended, the  
17 Employees' Retirement System of Jefferson County, and by Acts  
18 1961, No. 843, 1961 Regular Session (Acts 1961, p. 1250), as  
19 amended, the Employees General Retirement System of Jefferson  
20 County.

21 1.44 "Qualified Military Service" means, except as  
22 otherwise subsequently provided under IRC Section 414(u), the  
23 performance of duty, on a voluntary or involuntary basis, in a  
24 uniformed service under competent authority, and includes  
25 active duty, active duty for training, initial active duty for

1 training, inactive duty training, full-time National Guard  
2 duty, a period for which a person is absent from a position of  
3 employment for the purpose of an examination to determine the  
4 fitness of the person to perform any such duty, and a period  
5 for which a person is absent from employment for the purpose  
6 of performing funeral honors duty.

7 1.45 "Regular Deferred Retirement Benefit" means a  
8 benefit payable pursuant to the terms of Section 5.1(c)(2).

9 1.46 "Regulation" means the Income Tax Regulations  
10 as promulgated by the Secretary of the Treasury or a delegate  
11 of the Secretary of the Treasury, as amended from time to  
12 time.

13 1.47 "Required Beginning Date" is as defined in  
14 Section 5.7(f)(6).

15 1.48 "Retired Member" means an individual that  
16 currently is receiving pension benefits from the System.

17 1.49 "Service Connected Disability" means a Total  
18 Disability or Partial Disability, caused by an accident  
19 arising out of and in the course of a Member's employment with  
20 the County.

21 1.50 "Service Record" means an Employee's record of  
22 service upon which the Pension Board bases all of the Member's  
23 benefit calculations, including records of the County.

1           1.51 "Sick Leave Retirement Conversion" means a  
2 program sponsored by the County wherein a Member is paid for  
3 accumulated sick leave time.

4           1.52 "Superannuation Retirement Benefit" means a  
5 benefit payable pursuant to the terms of Section 5.1(a).

6           1.53 "System" or "Plan" means "The General  
7 Retirement System for Employees of Jefferson County," which  
8 System or Plan may sue or be sued, and in such name all of its  
9 business shall be transacted.

10          1.54 "Total Disability" means a permanent physical  
11 or mental condition of a Member resulting from bodily injury,  
12 disease, or mental disorder which renders such Member  
13 incapable of continuing usual and customary employment with  
14 the County. The disability of a Member shall be determined by  
15 a licensed Medical Advisor.

16          1.55 "Trustee" means the Pension Board or the person  
17 or entity appointed by the Pension Board and named as trustee  
18 herein or in any separate trust forming a part of the Plan,  
19 and any successors.

20          1.56 "Trust Fund" means the tax-qualified trust in  
21 which certain Plan funds are held, disbursed, transferred and  
22 invested by the Trustee at the Pension Board's (or its  
23 designated Investment Manager's) discretion and in accordance  
24 with this Act, the IRC and other applicable laws and  
25 regulation.

1           1.57 "Unpaid Membership Time" means, subject to the  
2 last paragraph of this Section 1.57, (i) time during which a  
3 Member was employed by the County, but the Member did not make  
4 Employee Contributions to the System and/or other Previous  
5 Retirement Systems; (ii) time during which a Member withdrew  
6 Employee Contributions for any reason, including upon a  
7 termination of employment, unless this period of time is later  
8 converted to Paid Membership Time as provided for in Section  
9 3.4; and (iii) time during which a person held an elective  
10 office or was employed in a full-time job or position in the  
11 service of any municipality, governmental agency, or  
12 subdivision or held an elective office, provided that at the  
13 time said person served with such municipality, governmental  
14 agency, or subdivision, it was subject to the County-wide  
15 civil service law. However, Unpaid Membership Time shall not  
16 include: (x) service with a municipality, governmental agency,  
17 or subdivision if the Employee received a pension from such  
18 municipality, governmental agency, or subdivision, on account  
19 of such service or if such service was considered in the  
20 calculation of said pension; (y) any Unpaid Membership Time  
21 that has been converted to Paid Membership Time; and (z) any  
22 service in a temporary job or position (as determined by the  
23 Pension Board).

24           If such prior service with a municipality,  
25 governmental agency, or subdivision was not an elective office

1 or in a classified position, such prior service shall not be  
2 treated as Unpaid Membership Time unless such Employee  
3 establishes to the satisfaction of the Pension Board that such  
4 service was a full-time job.

5 Only with respect to Employees entering the System  
6 on or before August 16, 1996, years of Unpaid Membership Time  
7 are used in computing accrued benefits under the Plan, as are  
8 months of Unpaid Membership Time. Months are converted into a  
9 fraction of a year as set forth in Section 4.5.

10 Notwithstanding any provision of the Plan to the contrary,  
11 Unpaid Membership Time shall not apply to Members who  
12 initially join the System (or Members who rejoin the System  
13 after having withdrawn) after August 16, 1996.

14 1.58 "Vested" means the portion of a Member's  
15 benefits under the Plan that generally are non-forfeitable.  
16 Subject to Section 4.4 (relating to failure to claim a refund  
17 of Employee Contributions within the five (5)-year period), a  
18 Member's benefit shall become non-forfeitable (i.e., Vested)  
19 upon the following events:

20 (a) partial or full termination of the Plan as set  
21 forth in Section 8.1; and

22 (b) meeting the eligibility conditions for  
23 entitlement to a benefit under Article V.

24 1.59 "Worker's Compensation Benefits" means any  
25 benefit paid to a Member under any worker's compensation law

1 of the State of Alabama for any injury or disability suffered  
2 by such Member while working for the County on the job or  
3 position by reason of which he or she is a Member.

4 Additionally, Worker's Compensation Benefits are included in  
5 Compensation for purposes of determining Employee  
6 Contributions pursuant to Section 4.3. Worker's Compensation  
7 Benefits are included in compensation for purposes of  
8 calculating a retirement benefit only if inclusion of such  
9 Worker's Compensation Benefits produces a higher benefit than  
10 exclusion of such Worker's Compensation Benefits.

## 11 ARTICLE II

### 12 ADMINISTRATION

#### 13 2.1 POWERS AND RESPONSIBILITIES OF THE COUNTY

14 (a) Provisions of Records. The County shall provide  
15 all records and documents necessary to determine an Employee's  
16 status and eligibility for membership in the Plan, upon which  
17 a Service Record shall be created.

18 (b) Contributions. The County shall contribute an  
19 amount equal to six percent (6%) of an Employee's Compensation  
20 from the County's general assets to the Trust Fund, as  
21 provided in Section 4.1. The County also shall withhold six  
22 percent (6%) of an Employee's Compensation each pay period as  
23 provided in Section 4.3. The County also shall contribute any  
24 amounts received pursuant to Acts 1999, No. 594, 1999 Regular  
25 Session (Acts 1999, p. 1363) (as may be revised from time to



1 time) attributable to pistol permits. These funds shall be  
2 given to the County Treasurer for deposit into the Trust Fund.  
3 Additionally, the County may pay into the Trust Fund from the  
4 general funds of the County, in such installments or times as  
5 the County may elect, an amount or amounts sufficient to  
6 assure that the System is actuarially sound.

## 7 2.2 DESIGNATION OF ADMINISTRATIVE AUTHORITY

8 (a) General Administration. The role of the Pension  
9 Board is established by the State of Alabama through  
10 legislative act. The Pension Board is responsible for the  
11 general administration and proper operation of the Plan. The  
12 Pension Board also is responsible for making effective the  
13 provisions of the Act.

14 (b) Composition of Pension Board. The Pension Board  
15 is comprised of five (5) members, designated respectively as  
16 Member Number One, Member Number Two, Member Number Three,  
17 Member Number Four and Member Number Five.

18 (1) Member Number One. Member Number One shall be  
19 appointed by the governing body of the County and shall serve  
20 as Chairman of the Pension Board. Member Number One must have  
21 a minimum of ten (10) years experience in an executive  
22 capacity in insurance or actuarial work. The initial term of  
23 Member Number One shall be for one (1) year; and thereafter  
24 the term of Member Number One shall be for three (3) years.

1           (2) Member Number Two. Member Number Two shall be  
 2 appointed by the Probate Judge, who is an elected official of  
 3 the County. Member Number Two must have a minimum of ten (10)  
 4 years experience in an executive capacity in investing or  
 5 banking. The initial term of Member Number Two shall expire at  
 6 the end of two (2) years; and thereafter the term of Member  
 7 Number Two shall be for three (3) years.

8           (3) Member Number Three. Member Number Three shall  
 9 be elected by the Jefferson County Personnel Board. The  
 10 initial term of Member Number Three shall expire at the end of  
 11 three (3) years; and the term of Member Number Three shall be  
 12 for three (3) years.

13           (4) Members Number Four and Five. Member Number Four  
 14 and Member Number Five shall be elected by the Active and  
 15 Retired Members of the System. The initial term of Member  
 16 Number Four shall be for one (1) year; and thereafter the term  
 17 of Member Number Four shall be for three (3) years. Member  
 18 Number Five shall be elected for terms of three (3) years.

19           (c) Procedure for the Election of Board Members Four  
 20 and Five and Selection of the Election Board.

21           (1) Elections of Member Number Four and Member  
 22 Number Five shall be conducted by separate ballot.

23           (2) The Active and Retired Members of the System  
 24 shall elect Member Number Four and Member Number Five. The  
 25 election shall be held at the annual meeting of the Members of

1 the System provided for in Section 2.3(n) of this Article II,  
2 or at a special meeting called for that purpose; provided that  
3 there shall be no such election at a special meeting unless  
4 the Pension Board has given at least fifteen (15) days written  
5 notice of the time and place of the election by posting the  
6 same in at least three (3) prominent places in the County  
7 courthouse and by delivering three (3) copies of the same to  
8 each elected official of the County to enable these officials  
9 to inform their employees of the election; however, the  
10 failure of any elected official to inform his or her employees  
11 of the election shall not invalidate the election.

12 (3) The elections of Member Number Four and Member  
13 Number Five shall be supervised by three (3) Active Members of  
14 the System serving as the election board. The Members that  
15 serve as the election board shall be appointed by the Active  
16 Members and Retired Members at the annual meeting as provided  
17 for in Section 2.3(n) of this Article II. If the Active  
18 Members and Retired Members fail to appoint members to the  
19 election board, the Pension Board will appoint the members of  
20 the election board. The Pension Board shall have the authority  
21 to prescribe additional rules and regulations for the  
22 elections of Member Number Four and Member Number Five not  
23 inconsistent with the provisions hereof.

1           (d) Vacancy, How Filled. If a vacancy occurs on the  
 2 Pension Board, such vacancy shall be filled for the unexpired  
 3 term in the same manner as the office was previously filled.

4           (e) Resignation or Removal of Pension Board Member.  
 5 A member of the Pension Board may resign by delivering a  
 6 written resignation to the Pension Board or be removed by the  
 7 Pension Board by delivery of written notice of removal, to  
 8 take effect at a date specified therein, or upon delivery to  
 9 the Pension Board if no date is specified.

10           (f) Secretary. The Secretary of the Board shall be  
 11 the Director of Personnel of the County, or his or her  
 12 designated agent; however, in the event that the Director of  
 13 Personnel fails to act as Secretary and fails to appoint an  
 14 agent to serve such role, then the Pension Coordinator shall  
 15 serve as the Secretary.

16           (g) Salary and Expenses. The members of the Pension  
 17 Board and the Secretary shall serve without pay, but shall be  
 18 reimbursed for expenses actually paid or incurred in the  
 19 discharge of their official duties, and shall suffer no loss  
 20 of salary or wages, if employed by the County, through service  
 21 on said Board or as secretary thereof.

22           2.3 POWERS AND DUTIES OF THE PENSION BOARD

23           The Pension Board shall be responsible for the  
 24 general administration and proper operation of the Plan, and  
 25 shall administer the Plan for the exclusive benefit of the

1 Members and their Beneficiaries, subject to the specific terms  
2 of the Plan. The Pension Board shall administer the Plan in  
3 accordance with its terms and shall have the power and  
4 discretion to construe the terms of the Plan and the Act and  
5 to determine all questions arising in connection with the  
6 administration, interpretation, and application of the Plan.  
7 Any such determination by the Pension Board shall be  
8 conclusive and binding upon all persons. The Pension Board may  
9 establish procedures, correct any defect, supply any  
10 information, or reconcile any inconsistency in such manner and  
11 to such extent as shall be deemed necessary or advisable to  
12 carry out the purpose of the Plan; provided, however, that any  
13 procedure, discretionary act, interpretation or construction  
14 shall be done in a nondiscriminatory manner based upon uniform  
15 principles consistently applied and shall be consistent with  
16 the intent that the Plan shall continue to be deemed a  
17 qualified plan under the terms of IRC Section 401(a), and  
18 shall comply with the terms of the Act and all regulations  
19 issued pursuant thereto. The Pension Board shall have all  
20 powers necessary or appropriate to accomplish the Pension  
21 Board's duties under the Plan.

22 The Pension Board shall be charged with the duties  
23 of the general administration of the Plan as set forth under  
24 the terms of the Plan, including, but not limited to, the  
25 following:

1           (a) to determine all questions relating to the  
2           eligibility of Employees to participate or remain a Member  
3           hereunder and to receive benefits under the Plan;

4           (b) to compute and certify the amount and the kind  
5           of benefits to which any Member shall be entitled hereunder;

6           (c) to maintain all necessary records for the  
7           administration of the Plan;

8           (d) to interpret the provisions of the Plan and to  
9           make and publish such rules for regulation of the Plan as are  
10          consistent with the Act and the terms hereof;

11          (e) to establish rules and regulations for the  
12          administration of Plan funds and for the transaction of the  
13          Plan's business;

14          (f) to exercise any investment discretion in a  
15          manner designed to accomplish specific objectives related to  
16          the Plan's long-term and short-term liquidity needs;

17          (g) to prepare and provide Active Members with an  
18          annual estimated benefit statement notifying them of their  
19          estimated benefits;

20          (h) to prepare and provide Retired Members with a  
21          one-time notification of their benefit payment amounts, and to  
22          provide Retired Members with periodic notification of cost of  
23          living benefit increases;

24          (i) to determine the validity of, and take  
25          appropriate action with respect to, any qualified domestic

1 relations order, divorce decree, or other judicial order  
2 presented to the County or the Pension Board;

3 (j) to assist any Member regarding the Member's  
4 rights, benefits, or elections available under the Plan;

5 (k) to, by written agreement or designation, appoint  
6 at its option an Investment Manager (qualified under the  
7 Investment Company Act of 1940 as amended), investment  
8 adviser, or other agent to provide direction regarding any or  
9 all of the Plan assets. Such appointment shall specifically  
10 identify the Plan assets with respect to which the Investment  
11 Manager or other agent shall have authority to direct the  
12 investment;

13 (l) to establish an investment policy;

14 (m) to establish a privacy policy for the protection  
15 of a Member's personal information, subject to applicable law;

16 (n) to hold an annual meeting of the Members at  
17 least once per calendar year and provide at least seven (7)  
18 days written notice of said meeting to all Members at either  
19 their place of work or last known address;

20 (o) to determine appropriate rules and regulations  
21 to determine how much service per calendar year is equivalent  
22 to one (1) year of service, in accordance with Section 4.5;

23 (p) to develop rules and regulations, amend the Plan  
24 (subject to the provisions of Section 7.1) and provide for

1 increases in benefits (subject to the provisions of Section  
 2 7.2); and

3 (q) notwithstanding any provisions of the Plan to  
 4 the contrary, to amend the Plan in order to comply with  
 5 Federal law, and any such amendment shall be given full effect  
 6 under Alabama law.

7 Failure of the Pension Board to follow any  
 8 provisions or procedures in the Plan shall not constitute a  
 9 waiver of any provision or procedure contained herein.

10 2.4 RECORDS AND REPORTS

11 (a) Records. The Pension Board shall keep a record  
 12 of all of its proceedings, which shall be open to public  
 13 inspection. Additionally, the Pension Board shall keep all  
 14 other books of account, records, policies, compensation  
 15 records, Service Records, and other data that may be necessary  
 16 for proper administration of the Plan and shall be responsible  
 17 for supplying all information and reports to the Internal  
 18 Revenue Service, Members, Beneficiaries and others as may be  
 19 required by law.

20 (b) Correction of Records. The Pension Board shall  
 21 correct any error in a Member's Service Record which the  
 22 Pension Board concludes is necessary to correct or remove an  
 23 injustice or prevent a Member from receiving less or more than  
 24 such Member is entitled to receive under the Plan. The Pension  
 25 Board shall adopt written rules prescribing the procedure the



1 Pension Board will follow in considering whether an error in  
 2 an Employee's Service Record should be corrected. Correction  
 3 of Service Records shall be subject to the following  
 4 limitations:

5 (1) No error in the Service Record shall be  
 6 corrected except by the Pension Board.

7 (2) The Pension Board shall not correct any error in  
 8 an Employee's Service Record until it has accorded, or offered  
 9 to accord, the Employee a hearing regarding the proposed  
 10 correction, which hearing shall not be conducted until after  
 11 the Employee has received at least two (2) weeks notice of the  
 12 nature of the proposed correction and of the time and place at  
 13 which the proposed correction will be considered.

14 (3) No correction of an error shall be made at an  
 15 Employee's request unless the Employee files with the Pension  
 16 Board his or her written request for such correction before  
 17 the date that is one (1) year subsequent to the Employee's  
 18 discovery of the error requested to be corrected; provided,  
 19 however, the Pension Board may excuse an Employee's failure to  
 20 file such application for correction within one (1) year  
 21 following his or her discovery of such error if the Pension  
 22 Board finds that excusing such failure would be most  
 23 equitable.

24 If the Pension Board determines that any amount has  
 25 been erroneously deducted from the Compensation of an Employee

1 and paid into the Trust Fund as an Employee Contribution, or  
2 that any amount has been otherwise paid into the Trust Fund  
3 erroneously upon behalf of any Employee, such amount shall be  
4 refunded to the Employee, and any amount which may have been  
5 paid erroneously to match such erroneous contribution shall be  
6 refunded. The Pension Board is authorized to determine whether  
7 interest shall be payable on any amounts returned and to  
8 determine the amount of such interest to be paid, if any;  
9 provided, however, that no interest shall be paid to any  
10 Employee responsible for the error resulting in the erroneous  
11 payment.

12 (c) Audit. The Pension Board shall cause an audit to  
13 be made of its affairs by a certified public accountant at  
14 least once each calendar year.

15 2.5 APPOINTMENT OF ADVISERS AND ALLOCATION OF  
16 RESPONSIBILITIES

17 The Pension Board may allocate responsibilities  
18 among the members of the Pension Board and/or may delegate  
19 responsibilities to third parties. The County Attorney shall  
20 be the legal advisor of the Pension Board. The Pension Board  
21 may employ, appoint or contract with additional employees,  
22 administrators, managers, counsel, specialists, advisers,  
23 agents (including nonfiduciary agents) and other persons as  
24 the Pension Board or the Trustee deems necessary or desirable  
25 in connection with the administration of the Plan, including

1 but not limited to agents and advisers to assist with the  
2 administration and management of the Plan, and thereby to  
3 provide, among such other duties as the Pension Board may  
4 appoint, assistance with maintaining Plan records and the  
5 providing of investment information to the Plan's investment  
6 fiduciaries, and none of such persons shall be subject to the  
7 Civil Service System.

8 2.6 INFORMATION FROM COUNTY, PERSONNEL BOARD OR  
9 COUNTY'S AGENT

10 The County, the Jefferson County Personnel Board or  
11 the County's agent, as applicable, shall supply full and  
12 timely information, including but not limited to all payroll,  
13 service records and personal history of Members, to the  
14 Pension Board as the Pension Board may require in order to  
15 perform its duties hereunder. The Pension Board may rely upon  
16 such information as accurate and shall have no duty or  
17 responsibility to verify such information.

18 2.7 PAYMENT OF EXPENSES

19 All payment of benefits, expenses of administration,  
20 and any other expenses arising hereunder, may be paid by the  
21 Pension Board out of the Trust Fund, unless otherwise paid by  
22 the County. Such expenses shall include any expenses incident  
23 to the functioning of the Pension Board, or any person or  
24 persons retained or appointed by any fiduciary incident to the  
25 exercise of their duties under the Plan, including, but not

1 limited to, fees of accountants, counsel, Investment Managers,  
2 and other specialists and their agents, and other costs of  
3 administering the Plan. Until paid, the expenses shall  
4 constitute a liability of the System.

#### 5 2.8 MAJORITY ACTIONS

6 Three (3) members of the Pension Board shall  
7 constitute a quorum for the transaction of all business.  
8 Except where there has been an allocation and delegation of  
9 administrative authority pursuant to Section 2.5, three (3)  
10 votes shall be necessary for a decision by the Pension Board.

#### 11 2.9 CLAIMS PROCEDURE

12 (a) Claims for benefits under the Plan must be filed  
13 in writing with the Pension Coordinator on forms provided by  
14 the Pension Board in accordance with procedures established by  
15 the Pension Board and/or the Pension Coordinator. The  
16 procedure and documents to be produced by a Member or  
17 Beneficiary may differ depending on the type of benefit claim  
18 being made.

19 (b) The Pension Board may allow a  
20 properly-designated power of attorney to act on behalf of a  
21 Member or Beneficiary so long as the act is authorized under  
22 the terms of the power of attorney documentation.

#### 23 2.10 CLAIMS REVIEW PROCEDURES

24 Any Employee, former Employee, or Beneficiary of  
25 either, who has been denied a benefit by a decision of the

1 Pension Board pursuant to a claim made under Section 2.9 shall  
2 be entitled to request the Pension Board to give further  
3 consideration to a claim by filing with the Pension Board a  
4 written request for a hearing. Such request shall be filed  
5 with the Pension Board no later than sixty (60) days after  
6 receipt of the written notification of denial. The Pension  
7 Board shall then conduct a hearing as soon as administratively  
8 feasible. The hearing will typically be held at the Pension  
9 Board's regular monthly meeting. A final decision as to the  
10 claim shall be made by the Pension Board as soon as  
11 administratively feasible after receipt of the appeal and the  
12 claimant will be notified in writing of the decision. In the  
13 event of a denial of a Disability Retirement Benefit claim, a  
14 new Disability Retirement Benefit claim may not be made for at  
15 least six (6) months from the date of the last appeal denial,  
16 unless otherwise determined in the discretion of the Pension  
17 Board or the Pension Coordinator (e.g., in the event that new  
18 evidence or new disability conditions arise before the end of  
19 the 6-month period).

#### 20 2.11 INVESTMENT AUTHORITY

21 (a) The Pension Board and any Investment Manager it  
22 appoints are authorized to invest and reinvest the funds of  
23 the System in all classes and forms of bonds, mortgages,  
24 common and preferred stocks, shares of investment companies or  
25 mutual funds, or any other investment. The Pension Board is

1 further authorized to hold, purchase, sell, assign, transfer,  
 2 and dispose of any investment in which the funds of the System  
 3 previously have been invested as well as the proceeds thereof.

4 (b) No Member or Employee shall have any direct  
 5 interest in the gains or profits of any investment made by the  
 6 Pension Board nor shall any Member or Employee become an  
 7 endorser or surety or act in any manner as an obligor for  
 8 moneys loaned to or borrowed from the Pension Board.

9 ARTICLE III

10 ELIGIBILITY

11 3.1 CONDITIONS OF ELIGIBILITY

12 Any Eligible Employee may become a Member of the  
 13 System as described below. Notwithstanding the following, any  
 14 person who was a Member of the System prior to the Effective  
 15 Date of the amendment and restatement of the Plan shall  
 16 continue to be a Member of the System.

17 (a) Mandatory Membership.

18 (1) Eligible Employees Subject to the Civil Service  
 19 System. Except as otherwise provided in Section 3.1(b), every  
 20 Eligible Employee who occupies a position subject to the Civil  
 21 Service System applicable to Jefferson County shall become a  
 22 Member of the System and shall make Employee Contributions to  
 23 the System in accordance with Section 4.3.

24 (2) Hospital Employees. Every Eligible Hospital  
 25 Employee (as defined in Section 1.21) shall become be a Member

1 of the System and shall make Employee Contributions to the  
2 System in accordance with Section 4.3 if his or her relation  
3 to the hospital corporation is such that if he or she had the  
4 same relation to Jefferson County as he or she has to the  
5 hospital corporation, his or her membership in the System  
6 would be mandatory.

7 (b) Optional Membership. The following Eligible  
8 Employees may exercise the option to become a Member of the  
9 System by filing with the Secretary of the Pension Board an  
10 executed declaration stating that he or she elects to become a  
11 Member of the System, subject to all of the rights and  
12 liabilities of Members of the System. The declaration shall be  
13 in such form as the Pension Board may prescribe. Once the  
14 declaration is accepted by the Pension Board or a  
15 representative of the Pension Board, such Eligible Employee  
16 then shall become a Member of the System and shall begin to  
17 make Employee Contributions to the System in accordance with  
18 Section 4.3. The option to become a Member, once exercised,  
19 shall be irrevocable.

20 (1) Eligible Employees Not Subject to the Civil  
21 Service System. Any Eligible Employee who occupies a position  
22 not subject to the Civil Service System applicable to  
23 Jefferson County shall not become a Member of the System  
24 unless he or she exercises the option to become a Member.

1           (2) Hospital Employees. Any Eligible Hospital  
2 Employee (as defined in Section 1.21) shall have the option of  
3 becoming a Member of the System if such Eligible Hospital  
4 Employee's relation to the hospital corporation is such that  
5 if he or she had the same relation to Jefferson County as he  
6 or she has to the hospital corporation, he or she would have  
7 the option of becoming a Member of the System.

8           (3) Eligible County Office Employees, Eligible  
9 Circuit Solicitors and Eligible Deputy Solicitors.  
10 Notwithstanding the mandatory membership provisions in Section  
11 3.1(a), any Eligible County Office Employee, any Eligible  
12 Circuit Solicitor and any Eligible Deputy Solicitor (as each  
13 is defined Section 1.21) shall not become a Member of the  
14 System unless he or she exercises the option to become a  
15 Member.

### 16           3.2 DETERMINATION OF ELIGIBILITY

17           The Pension Board shall determine the eligibility of  
18 each Employee for membership in the System based upon  
19 information furnished by the Jefferson County Personnel Board  
20 or its designated agent. Such determination shall be  
21 conclusive and binding upon all persons. Additionally, if the  
22 Pension Board makes a determination upon an Employee's date of  
23 hire by the Employer that such Employee is an Eligible  
24 Employee, then such Employee shall continue to participate in  
25 the Plan, even if such Employee subsequently no longer meets



1 the definition of an Eligible Employee under Section 1.21  
2 (unless the Pension Board's initial determination was  
3 erroneous).

### 4 3.3 TERMINATION OF ELIGIBILITY

5 In the event a Member subsequently elects to  
6 participate in Another Pension System, such Member shall no  
7 longer participate in the Plan, but shall continue to vest in  
8 the Plan while a noneligible Employee, until such time as the  
9 Member's benefit shall be forfeited or distributed pursuant to  
10 the terms of the Plan.

### 11 3.4 CONVERSION OF UNPAID MEMBERSHIP TIME TO PAID 12 MEMBERSHIP TIME

13 (a) Commission-Authorized Conversions. The  
14 Commission may, from time to time, authorize Members of the  
15 System to convert Unpaid Membership Time to Paid Membership  
16 Time if it determines that such conversion is in the public  
17 interest. Unpaid Membership Time may be converted to Paid  
18 Membership Time only when specifically authorized by the  
19 Commission, and as set forth below.

20 (1) Actuarial Study and Calculations. Before an  
21 opportunity to convert Unpaid Membership Time to Paid  
22 Membership Time will be made available to any Members, the  
23 Pension Board shall cause an actuarial evaluation to be  
24 performed on the System to ensure that the System is able to  
25 financially support said conversion and to determine the

1 amounts that must be contributed to the System by Members  
2 seeking to convert Unpaid Membership Time, including the  
3 amount of any "deficiency of deductions" (as described below).

4 (2) Contributions to Fund Conversion. In order to  
5 convert Unpaid Membership Time to Paid Membership Time, a  
6 Member must contribute to the Trust Fund an amount equal to:  
7 (i) six percent (6%) of his or her current salary for each  
8 year of service being converted, including the amount of  
9 interest and other earnings these amounts would have earned  
10 had they been paid into the Trust Fund at that time; plus (ii)  
11 the amount that the County would have paid into the Trust Fund  
12 as Employer Contributions (i.e., an additional six percent  
13 (6%) of his or her current salary) for each year of service  
14 being converted, including the amount of interest and other  
15 earnings these amounts would have earned had they been paid  
16 into the Trust Fund at that time; plus (iii) any additional  
17 amount necessary to match the Member's liability as to his or  
18 her "deficiency of deductions" (as described below), including  
19 interest hereon.

20 "Deficiency of deductions" shall mean any remaining  
21 liability of a Member resulting from his or her election to  
22 convert Unpaid Membership Time to Paid Membership Time which  
23 still exists after the payments in Section 3.4(a)(2)(i) and  
24 3.4(a)(2)(ii) are made and which are needed to make the System  
25 actuarially sound.

1           (3) Rules and Regulations. The Commission (and/or  
2 its designated agent, which may include the Pension Board) may  
3 establish rules and regulations governing any conversion  
4 opportunity, including but not limited to, the time that the  
5 conversion is available, the amount of Unpaid Membership Time  
6 that may be converted to Paid Membership Time and any amounts  
7 required to be paid by Members in order to convert Unpaid  
8 Membership Time. Any such rules and regulations shall apply  
9 uniformly to all Members of the System in the same class. The  
10 Commission, or its designated agent, may amend or repeal any  
11 such rules and regulations at any time in its sole discretion.

12           (b) Correction of Records. The Pension Board has the  
13 authority to allow the conversion of Unpaid Membership Time in  
14 order to correct personnel or recordkeeping errors.

15           (c) No Employer Contributions Required. Nothing in  
16 the Plan shall be construed as requiring the County in any  
17 case to match contributions by Members converting Unpaid  
18 Membership Time to Paid Membership Time.

### 19           3.5 REHIRED MEMBERS

20           If a Member of the System severs employment with the  
21 County or his or her term in an elected or appointed job or  
22 position terminates, and such Member thereafter returns to the  
23 service of the County, he or she shall become a Member of the  
24 System to the extent he or she meets the definition of an  
25 Eligible Employee, subject to the following rules:

1           (a) Member Receiving a Pension Benefit. If a Member  
2 is receiving his or her pension benefit on account of  
3 retirement and such Member returns to the service of the  
4 County, any amount otherwise payable by the System to such  
5 Member on account of such Member's retirement shall be reduced  
6 by the amount, if any, paid or payable to such Member by the  
7 County on account of or by reason of the reemployment of such  
8 Member. At the time the Member thereafter severs employment  
9 with the County, such Member's pension benefit shall return to  
10 the amount it was prior to the Member's reemployment.  
11 Accordingly, notwithstanding Sections 3.5(c) and (d) below,  
12 such a Member shall not accrue any additional pension benefit  
13 during his or her period of rehire.

14           (b) Member Elected a Deferred Retirement. If a  
15 Vested Member who severed employment with the County and  
16 elected a Deferred Retirement Benefit is reemployed by the  
17 County before age sixty (60), his or her election for a  
18 Deferred Retirement Benefit shall be rescinded, and he or she  
19 shall rejoin the System in accordance with Sections 3.1 and  
20 4.3 and begin to accrue benefits again upon the date of  
21 reemployment. Such Member's benefit shall be calculated by  
22 aggregating the Member's credited service during all periods  
23 of employment.

24           (c) Member Does Not Receive a Refund and is  
25 Reemployed Within Five (5) Years. Except as set forth in

1 Section 3.5(a) above, if a Member, Vested or non-vested, who  
2 severed employment with the County but did not receive a  
3 refund of his or her Employee Contributions to the System as  
4 provided in Section 5.5, is reemployed by the County within  
5 five (5) years of such severance from employment, he or she  
6 shall rejoin the System in accordance with Sections 3.1 and  
7 4.3 and begin to accrue benefits again upon the date of  
8 reemployment. Such Member's benefit shall be calculated by  
9 aggregating the Member's credited service during all periods  
10 of employment.

11 (d) Member Received a Refund or Forfeited Pension  
12 Benefit. Except as set forth in Section 3.5(a) above, if a  
13 Member, Vested or non-vested, who severed employment with the  
14 County and received a refund of his or her Employee  
15 Contributions to the System as provided in Section 5.5, or  
16 forfeited his or her Employee Contributions (e.g., pursuant to  
17 Section 4.4, does not receive a refund within five (5) years  
18 after severing from employment), is reemployed by the County,  
19 he or she shall rejoin the System in accordance with Sections  
20 3.1 and 4.3 and begin to accrue benefits again upon the date  
21 of reemployment. In calculating such Member's benefit, only  
22 credited service rendered after the Member is rehired shall be  
23 included.

24 ARTICLE IV

25 CONTRIBUTIONS AND VALUATIONS

## 1 4.1 PAYMENT OF CONTRIBUTIONS AND EMPLOYER

## 2 CONTRIBUTIONS

3 (a) Employer Contributions. Each payroll period, an  
4 amount equal to the total of all Members' Employee  
5 Contributions that is deducted from the Members' Compensation  
6 pursuant to Section 4.3 shall be contributed by the County and  
7 shall be paid into the Trust Fund ("Employer Contribution").

8 (b) Employer Contributions upon Reinstatement from  
9 Qualified Military Service. If any Member leaves the service  
10 of the County for the purposes of performing Qualified  
11 Military Service and shall have been reinstated to the service  
12 of the County within ninety (90) days after such Member's  
13 separation from such Qualified Military Service, then the  
14 County shall promptly pay into the Trust Fund an amount equal  
15 to twice the Employee Contribution which the Employee would  
16 have made if he or she had not been absent on such leave, and  
17 if his or her Compensation had continued to be the same as he  
18 or she was earning at the time of the commencement of the  
19 leave; provided, however, that no part of such payment by the  
20 County shall be refundable to the Employee pursuant to Section  
21 5.5.

## 22 4.2 ACTUARIAL METHODS

23 There must be an actuarial valuation of the Plan at  
24 least once every five (5) years. The Plan assets are to be  
25 valued on the last day of the Fiscal Year (or on any other

1 date determined by the Pension Board) using any reasonable  
2 method of valuation. In establishing the liabilities under the  
3 Plan and contributions thereto, an enrolled actuary will use  
4 such methods and assumptions as will reasonably reflect the  
5 cost of the benefits. The actuary must be a member of the  
6 American Academy of Actuaries or the Society of Actuaries, and  
7 the Board shall require said actuary, taking into account the  
8 result of said investigation and analysis, to certify whether  
9 or not the rates of benefits established herein or from time  
10 to time established by the Pension Board are actuarially  
11 feasible and adequate in view of the funds available.

#### 12 4.3 EMPLOYEE CONTRIBUTIONS

13 (a) Employee Contributions Generally. As a condition  
14 of employment and of accruing benefits under the Plan, each  
15 Member shall contribute six percent (6%) of such Member's  
16 Compensation to the Plan through after-tax salary deferrals.  
17 The County shall withhold such Employee Contributions each  
18 payroll period and the aggregate amount so deducted shall be  
19 paid over to the Treasurer of the System for deposit in the  
20 Trust Fund. Employee Contributions shall begin on the Member's  
21 first paycheck after a Member becomes eligible for membership  
22 in the System as provided for in Section 3.1. In the event  
23 that the County fails to withhold any Employee Contributions,  
24 the County may withhold such amounts from future paychecks as  
25 are necessary to restore the amounts not withheld.

1           (b) Withdrawal or Refunds of Employee Contributions.  
 2 Employee Contributions may be withdrawn or refunded only as  
 3 provided in Section 5.5.

4           (c) Cessation of Employee Contributions.

5           (1) Participation in Another Pension System. A  
 6 Member may terminate Employee Contributions if he or she  
 7 becomes a member of Another Pension System, as further  
 8 provided in Section 5.5(c).

9           (2) Accrual of Maximum Benefit. A Member may  
 10 terminate Employee Contributions when said Member's service  
 11 entitles him or her to receive the maximum benefit available  
 12 under the Plan, as further provided in Section 5.5(d).

13           4.4 FORFEITURES, DONATIONS AND OTHER SIMILAR  
 14 CONTRIBUTIONS

15           The Pension Board and County are authorized to  
 16 contribute to the Trust Fund any monies received in the form  
 17 of donations, gifts, appropriations, bequests or otherwise, or  
 18 derived therefrom. Additionally, any Member or Beneficiary who  
 19 fails to make timely application for the amount of his or her  
 20 Employee Contributions pursuant to Section 5.5 shall be deemed  
 21 to have forfeited and donated such Employee Contributions to  
 22 the Trust Fund. In no event shall any forfeitures under the  
 23 Plan result in an increase in the benefit to be paid to any  
 24 Member. The Pension Coordinator shall provide one (1)  
 25 certified letter to the Member within sixty (60) days



1 following the Member's termination of employment advising the  
2 Member of the foregoing forfeiture provisions. See also  
3 Section 9.5 for additional forfeiture provisions.

#### 4 4.5 SERVICE RULES

5 Except as otherwise specifically stated herein, the  
6 rules below shall apply in determining length of service for  
7 all purposes under the Plan (for example, for purposes of  
8 determining years, months, years of service, years or months  
9 of Paid Membership Time and years or months of Unpaid  
10 Membership Time).

11 (a) In no case may more than one (1) year of service  
12 be credited for service in one (1) calendar year.

13 (b) A Member must work over one-half (1/2) of a  
14 month (including all calendar days) in order to earn one (1)  
15 month of service.

16 (c) Except as otherwise specifically stated herein  
17 or required by Federal law, a Member shall not be allowed  
18 service credit for any period of more than one-half (1/2) of a  
19 month during which such Member is absent without pay.

20 (d) A Member shall receive service credit for any  
21 and all paid leaves of absence (including a paid FMLA Leave),  
22 regardless of the length of the leave and regardless of the  
23 performance of any services. For Member's terminating  
24 employment between August 1, 1993 and January 31, 2010, up to

1 three (3) months of service credit was granted to Members on  
 2 unpaid FMLA Leaves.

3 (e) Years of Paid Membership Time are used in com-  
 4 puting benefits under the Plan, as are months of Paid Member-  
 5 ship Time. Months shall be converted into a fraction of a year  
 6 as follows:

7	1 month	.0833
8	2 months	.1667
9	3 months	.2500
10	4 months	.3333
11	5 months	.4167
12	6 months	.5000
13	7 months	.5833
14	8 months	.6667
15	9 months	.7500
16	10 months	.8333
17	11 months	.9167
18	12 months	1.0000

19 (f) The Pension Board may disregard a fractional  
 20 part of a year in computing Paid Membership Time or Unpaid

1 Membership Time that is less than one-twelfth (1/12) of a  
2 year.

3 (g) Notwithstanding any provision of the Plan to the  
4 contrary, effective December 12, 1994, contributions, benefits  
5 and service will be provided in accordance with IRC  
6 Section 414(u) (relating to military leave).

7 (h) Service before and after rehires will also be  
8 calculated in accordance with Section 3.5.

9 ARTICLE V

10 BENEFITS

11 5.1 RETIREMENT BENEFITS

12 (a) Superannuation Retirement Benefit.

13 (1) Eligibility. A Member shall be eligible for a  
14 Superannuation Retirement Benefit if:

15 (i) the Member has thirty (30) or more years of Paid  
16 Membership Time, regardless of age;

17 (ii) the Member has ten (10) or more years of Paid  
18 Membership Time and has attained the age of sixty (60); or

19 (iii) the Member has thirty (30) years of service,  
20 twenty (20) years of which are Paid Membership Time, and has  
21 attained the age of fifty-five (55).

22 (2) Calculation of Benefit. If a Member meets the  
23 foregoing eligibility criteria, then said Member shall be  
24 eligible to retire and receive a monthly benefit for the

1 remainder of his or her life to be determined by the following  
 2 formula:

3 (i) Two and one-half percent (2 1/2%) multiplied by  
 4 the Basic Average Salary multiplied by the number of years of  
 5 Paid Membership Time; plus

6 (ii) Five-eighths (5/8) of one percent (1%)  
 7 multiplied by the Basic Average Salary multiplied by the  
 8 number of years of Unpaid Membership Time (if applicable).

9 (3) 75% Limitation. Notwithstanding the foregoing,  
 10 no Member shall receive any retirement benefit in excess of  
 11 seventy-five percent (75%) of his or her Basic Average Salary.  
 12 This seventy-five percent (75%) limitation shall only be  
 13 applied at the time that the beginning retirement benefit is  
 14 determined and shall not limit increases granted to Retired  
 15 Members subsequent to their retirement. Additionally, this  
 16 seventy-five percent (75%) limitation shall be applied before  
 17 applying any actuarial adjustments to reflect survivor  
 18 benefits.

19 (4) IRC Section 401(a)(17) Limitation.  
 20 Notwithstanding the foregoing provisions of this Section  
 21 5.1(a), after applying the IRC Section 401(a)(17) Compensation  
 22 limit set forth in Section 1.11, the Pension Board, with the  
 23 assistance of an actuary, shall determine the adjustment(s) to  
 24 any or all of the components or factors of the benefit formula  
 25 (other than Paid Membership Time, Unpaid Membership Time,

1 and/or the Basic Average Salary as limited by the Compensation  
2 limit) that would be necessary to yield the maximum benefit  
3 specified under this Act, without regard to IRC Section  
4 401(a)(17); the Pension Board shall then use such adjusted  
5 benefit formula to determine the maximum benefit due from the  
6 Plan, subject, however, to Article VI (IRC Section 415  
7 Limitations).

8 (5) Eligibility for Joint Survivorship Pension. A  
9 Member that is entitled to a Superannuation Retirement Benefit  
10 shall be entitled to instead elect a Joint Survivorship  
11 Pension, as provided for under Section 5.2.

12 (6) Death. If a Member dies while receiving payment  
13 of a Superannuation Retirement Benefit, the return of any  
14 remaining portion of his or her Employee Contributions shall  
15 be governed by Section 5.5(e)(4). If the Member has received  
16 payments in an amount at least equal to the amount of Employee  
17 Contributions he or she made to the Plan at the time of death,  
18 then no further payments will be made upon the Member's death.

19 (b) Early Retirement Benefits.

20 (1) Regular Early Retirement. A Member may elect  
21 (but is not required to) to retire prior to age sixty (60) if  
22 the Member has completed thirty (30) or more years of service,  
23 ten (10) of which (but not the total thirty (30)) are Paid  
24 Membership Time. In the event that a Member makes such an  
25 election, such Member shall be entitled to receive an Early

1 Retirement Benefit equal to the Member's benefit that would be  
 2 payable pursuant to Section 5.1(a) above, but with an actuar-  
 3 ial equivalent reduction for each year less than sixty (60)  
 4 years of age, as follows:

Age of Member on Last Birth- day Preceding Retirement	Reduced Retirement Benefit on Ac- count of Retirement before Age 60 Expressed as a Percentage of the Superannuation Retirement Benefit under Section 5.1(a)
7 59	93%
8 58	87%
9 57	82%
10 56	77%
11 55	72%
12 54	68%
13 53	64%
14 52	60%
15 51	57%
16 50	54%
17 49	51%
18 48	48%

1                   (2) 25-Year Early Retirement Benefit. On and after  
2 April 24, 2003, a Member with at least twenty-five (25) years  
3 of Paid Membership Time, but less than thirty (30) years of  
4 Paid Membership Time, who is not eligible for a Superannuation  
5 Retirement Benefit may elect to retire early, but is not  
6 required to do so. In the event that a Member makes such an  
7 election, such Member shall be entitled to receive a 25-Year  
8 Early Retirement Benefit equal to the Member's benefit that  
9 would be payable under Superannuation Retirement Benefit  
10 pursuant to Section 5.1(a) above, but with an actuarial  
11 equivalent reduction of seven percent (7%) for each whole year  
12 less than thirty (30) years. For purposes of the seven percent  
13 (7%) reduction, months are not counted.

14                   (3) Eligibility for Joint Survivorship Pension. A  
15 Member that is entitled to an Early Retirement Benefit shall  
16 be entitled to instead elect a Joint Survivorship Pension, as  
17 provided for under Section 5.2.

18                   (4) Death. If a Member dies while receiving payment  
19 of an Early Retirement Benefit, the return of any remaining  
20 portion of his or her Employee Contributions shall be governed  
21 by Section 5.5(e)(4). If the Member has received payments in  
22 an amount at least equal to the amount of Employee  
23 Contributions he or she made to the Plan at the time of death,  
24 then no further payments will be made upon the Member's death.

1 (c) Deferred Retirement Benefits.

2 (1) General Rules for Deferred Retirement Benefits.

3 (i) Ineligibility for Deferred Retirement Benefit if  
4 Eligible for Superannuation Retirement Benefit. If a Member is  
5 eligible for a Superannuation Retirement Benefit, then he or  
6 she is not eligible for a Deferred Retirement Benefit.

7 (ii) Withdrawal of Employee Contributions. A Member  
8 who has elected a Deferred Retirement Benefit may at any time  
9 before payment of such benefit commences withdraw in full his  
10 or her Employee Contributions, without interest. However, no  
11 Deferred Retirement Benefit shall be paid to a Member who  
12 withdraws such Employee Contributions.

13 (iii) Eligibility for Joint Survivorship Pension. A  
14 Member that is entitled to a Deferred Retirement Benefit shall  
15 be entitled to instead elect a Post-Retirement Joint  
16 Survivorship Pension provided for under Section 5.2.

17 (iv) Death. If a Member dies before or after payment  
18 of his or her Deferred Retirement Benefit commences, the  
19 return of his or her Employee Contributions to the Plan shall  
20 be governed by Section 5.5(e) (2) or (4), respectively.

21 (2) Regular Deferred Retirement Benefit.

22 (i) Eligibility. Subject to the general eligibility  
23 requirements stated in Section 5.1(c) (1) above, a Member may  
24 elect a Regular Deferred Retirement Benefit if he or she has  
25 at least ten (10) years of Paid Membership Time.



1           (ii) Calculation of Benefit/Vesting. The Regular  
 2     Deferred Retirement Benefit shall be calculated by multiplying  
 3     the Superannuation Retirement Benefit that the Member would  
 4     have been entitled to had he or she been sixty (60) years of  
 5     age when he or she terminated employment, times a percentage,  
 6     which percentage shall be determined based upon the Member's  
 7     Paid Membership Time, as follows:

8           Ten (10) years of Paid Membership Time: 50%

9           Eleven (11) years of Paid Membership Time: 60%

10          Twelve (12) years of Paid Membership Time: 70%

11          Thirteen (13) years of Paid Membership Time: 80%

12          Fourteen (14) years of Paid Membership Time: 90%

13          Fifteen (15) or more years of Paid Membership Time:  
 14     100%

15           (iii) Commencement of Payment. Payment of a Member's  
 16     Regular Deferred Retirement Benefit shall commence upon the  
 17     date that the Member reaches the age of sixty (60) and shall  
 18     continue for the life of the Member, regardless of whether the  
 19     Member is employed with another employer at the time payment  
 20     is to commence.

21           (3) Involuntary Deferred Retirement Benefit.

22           (i) 20/55 Provisions. Subject to the general  
 23     eligibility requirements stated in Section 5.1(c)(1) above, a  
 24     Member who is not entitled to voluntarily retire pursuant to  
 25     Section 5.1(a) (Superannuation Retirement Benefit) or Section

1 5.1(b) (i) (Regular Early Retirement Benefit) above, but who is  
2 involuntarily retired after accumulating twenty (20) years of  
3 service with the County, at least ten (10) of which is Paid  
4 Membership Time, shall be entitled to receive a monthly  
5 benefit computed in accordance with the formula set forth in  
6 Section 5.1(a) (Superannuation Retirement Benefit) above, the  
7 payment of which shall commence upon his or her retirement if  
8 he or she has attained the age of fifty-five (55); if the  
9 Member has not attained the age of fifty-five (55), payment  
10 will be delayed until the Member's attainment of age  
11 fifty-five (55).

12 (ii) 18/60 Provisions. Subject to the general  
13 eligibility requirements stated in Section 5.1(c) (1) above and  
14 to the following provisions of this Section 5.1(c) (3) (ii), a  
15 Member who is not entitled to voluntarily retire pursuant to  
16 Section 5.1(a) (Superannuation Retirement Benefit) or Section  
17 5.1(b) (i) Regular (Early Retirement Benefit) above, but who is  
18 involuntarily retired after accumulating eighteen (18) years  
19 of service with the County, at least ten (10) of which is Paid  
20 Membership Time, shall be entitled to receive a monthly  
21 benefit computed in accordance with the formula set forth in  
22 Section 5.1(a) (Superannuation Retirement Benefit) above, the  
23 payment of which shall commence as set forth below.

24 (A) Member Contributions. In order to receive a  
25 benefit under Section 5.1(c) (3) (ii) above, a Member must

1 contribute to the Plan from the date of the Member's  
2 involuntary retirement to the date that the benefit commences,  
3 by the last day of each calendar month: (i) the amount of  
4 Employee Contributions that he or she would have made if he or  
5 she had continued to be employed by the County at the same  
6 salary as he or she was receiving at the time of his or her  
7 termination of employment, plus (ii) the amount which the  
8 County would have contributed to the Plan on the Member's  
9 behalf if he or she had continued to be employed by the County  
10 at the same salary as he or she was receiving at the time of  
11 his or her termination of employment.

12 (B) Commencement of Payment. Payment of a Member's  
13 Involuntary Deferred Retirement Benefit under Section  
14 5.1(c)(3)(ii) shall commence upon the earlier of: (i) the date  
15 on which the Member attains the age of sixty (60); or (ii) the  
16 date on which the Member would have completed thirty (30)  
17 years of service with the County, if he or she had continued  
18 employment with the County, regardless of whether the Member  
19 is employed with another employer at the time payment is to  
20 commence; provided however, that if at the time payment of the  
21 Deferred Retirement Benefit commences, he or she has not  
22 attained the age of sixty (60), the amount of his or her  
23 monthly benefit computed in accordance with Section 5.1(a)  
24 (Superannuation Retirement Benefit) above shall be reduced in

1 the same manner as the Early Retirement Benefit is reduced  
2 under Section 5.1(b)(1) above.

3 (d) Offset for Payment of Hospital, Surgical and  
4 Medical Benefits. To the extent that the County, with  
5 sufficient advance written notice, so directs the System, the  
6 System shall offset the monthly benefit amount payable to a  
7 Retired Member by an amount, determined by the County, needed  
8 to pay for said Member's premiums for certain hospital,  
9 surgical and/or medical benefits sponsored by the County. The  
10 System shall pay such withheld amounts to the County on a  
11 monthly basis. In the event that the County makes an error in  
12 its written direction to the System, the System shall not be  
13 required to correct such error by adjusting its withholdings;  
14 rather, such error shall be corrected between the County and  
15 the Member.

16 At any time a written opinion from a competent  
17 actuary selected by the Commission is made indicating that the  
18 funds and assets of the System are not actuarially sound, then  
19 the benefits of this Section 5.1(d) shall cease to be in  
20 effect until such time as an actuary appointed by the  
21 Commission gives a written opinion that the System is  
22 financially sound. Any such actuarial services shall be paid  
23 for by the System.

#### 24 5.2 POST-RETIREMENT JOINT SURVIVORSHIP PENSION

1           (a) Election of Post-Retirement Joint Survivorship  
 2 Pension. In lieu of a benefit under Sections 5.1(a)-(c)  
 3 (Superannuation Retirement Benefit, Early Retirement Benefit,  
 4 or Deferred Retirement Benefit, respectively), a Member may  
 5 elect to receive a Post-Retirement Joint Survivorship Pension.

6           (1) Percentage Election. In the event that a Member  
 7 desires to elect, pursuant to this Section 5.2(a) to receive a  
 8 Post-Retirement Joint Survivorship Pension, he or she must  
 9 elect one of the following percentages, which election shall  
 10 be the Actuarial Equivalent of the monthly retirement benefit  
 11 provided in Sections 5.1(a)-(c), as applicable:

12           (i) Reduced monthly benefit payable over the life of  
 13 the Member and the life of the Member's designated Beneficiary  
 14 (50% Post-Retirement Joint Survivorship Pension);

15           (ii) Reduced monthly benefit payable over the life  
 16 of the Member and the life of the Member's designated  
 17 Beneficiary (66 2/3% Post-Retirement Joint Survivorship  
 18 Pension);

19           (iii) Reduced monthly benefit payable over the life  
 20 of the Member and the life of the Member's designated  
 21 Beneficiary (75% Post-Retirement Joint Survivorship Pension);  
 22 or

23           (iv) Reduced monthly benefit payable over the life  
 24 of the Member and the life of the Member's designated  
 25 Beneficiary (100% Post-Retirement Joint Survivorship Pension).

1           (2) Form of Post-Retirement Joint Survivorship  
2 Pension. In addition to electing a percentage under Section  
3 5.2(a)(1) above, a Member who desires to elect to receive a  
4 Post-Retirement Joint Survivorship Pension must elect one of  
5 the following two forms:

6           (i) Pop-Up Form. Under the pop-up form, if the  
7 Member's Beneficiary predeceases the Retired Member, then in  
8 the month following the Beneficiary's death, the Member's  
9 monthly pension benefit will "pop-up" to the amount that would  
10 have been payable to the Member under Section 5.1(a)-(c), as  
11 applicable, as if the Member had never elected a  
12 Post-Retirement Joint Survivorship Pension; the cost of a  
13 pop-up form is more than the cost of the regular form  
14 described in Section 5.2(a)(2)(ii) below.

15           (ii) Regular Form. Under the regular form, if the  
16 Member's Beneficiary predeceases the Retired Member, then the  
17 Member will continue to receive the same amount that he or she  
18 was receiving prior to the Beneficiary's death (i.e., the  
19 amount of the benefit payment will not change).

20           (b) Timing of Election. Except as provided in the  
21 immediately following sentence, in the event that a Member  
22 desires to elect a Post-Retirement Joint Survivorship Pension,  
23 he or she must do so in writing, on a form provided by the  
24 Pension Board, no later than the Member's last day of  
25 employment. In the event that a Member previously elected a

1       Deferred Retirement Benefit and desires to elect a  
2       Post-Retirement Joint Survivorship Pension, he or she must do  
3       so in writing, on a form provided by the Pension Board, no  
4       later than the day before the Member's sixtieth (60th)  
5       birthday.

6               (c) Timing of Payments. Payment to the Member  
7       commences on the day after the Member terminates employment  
8       and will continue to be paid each month thereafter until the  
9       Member's death. If the Member's Beneficiary survives after the  
10      death of the Member, the Post-Retirement Joint Survivorship  
11      Pension payments will be made monthly to the Beneficiary,  
12      beginning on the first day of the month following the Member's  
13      death (assuming that the Pension Board is notified of the  
14      death in a timely manner). Payments will terminate with the  
15      first monthly payment preceding the second to die of the  
16      Member and the Beneficiary. In the event that a refund is to  
17      be paid pursuant to Section 5.5(e) (3), such payment shall be  
18      made as soon as administratively feasible following the  
19      Member's/Beneficiary's deaths.

20              (d) Cost of Post-Retirement Joint Survivorship  
21      Pension. To the extent that a Member elects payment of a  
22      Post-Retirement Joint Survivorship Pension for his or her  
23      Beneficiary, the benefit otherwise payable to the Member shall  
24      be actuarially reduced to reflect the survivorship benefits.

1           (e) Changes in Election. At any time before payment  
2 of a Post-Retirement Joint Survivorship Pension begins, the  
3 Member may cancel his or her election to have payment in such  
4 form by completing a form provided by the Pension Board.  
5 Except as otherwise stated herein, the Member's election of a  
6 Post-Retirement Joint Survivorship Pension shall be  
7 irrevocable once the Member terminates employment.

8           (1) Death.

9           (i) Death of Member Prior to Actual Retirement. In  
10 the event that a Member dies prior to his or her actual  
11 retirement, any Post-Retirement Joint Survivorship Pension  
12 election he or she made shall be deemed void.

13           (ii) Death of Beneficiary Before Payments Commence.

14 In the event that a Member elects a Post-Retirement Joint  
15 Survivorship Pension and his or her Beneficiary dies before  
16 payments commence, then upon said Beneficiary's death, the  
17 Member's election of the Post-Retirement Joint Survivorship  
18 Pension shall be automatically canceled, and the Member's  
19 right to receive payments in accordance with Section  
20 5.1(a)-(c), as applicable, will be reinstated.

21           (iii) Death of Both Member and Beneficiary - Refund.

22 Except as provided in the immediately following sentence, in  
23 the event that a payment begins to the Member, no refund of  
24 Employee Contributions will be paid thereafter.

25 Notwithstanding the foregoing sentence, in the event that the



1 Member and his or her Beneficiary die, a refund will be made  
2 in accordance with Section 5.5(e)(3).

3 (2) Divorce. In the event that a married Member  
4 names his or her spouse as Beneficiary, a subsequent divorce  
5 of the Member and the Beneficiary will not cancel an election  
6 of a Post-Retirement Joint Survivorship Pension. However, in  
7 the event that a Member or Beneficiary presents to the Pension  
8 Board what the Pension Board believes to be a valid divorce  
9 decree, settlement agreement or domestic relations order  
10 (collectively, a "DRO") that provides for a waiver or  
11 forfeiture of the Post-Retirement Joint Survivorship Pension,  
12 then such waiver or forfeiture will be recognized by the  
13 Pension Board, and, accordingly, the Post-Retirement Joint  
14 Survivorship Pension will be deemed void, and the Member's  
15 monthly pension benefit will thereafter "pop-up" to the amount  
16 that would have been payable to the Member under Section  
17 5.1(a)-(c), as applicable, as if the Member had never elected  
18 a Post-Retirement Joint Survivorship Pension. Such "pop-up"  
19 shall occur in the month following the Pension Board's receipt  
20 and approval of the DRO. The Member will not be allowed to  
21 continue any survivor benefits by designating another  
22 Beneficiary. See also Section 9.5(a) for additional rules  
23 relating to certain DROs.

24 (f) Beneficiary Designation. Any Beneficiary  
25 designation made by a Member for a Pre-Retirement Joint

1 Survivorship Pension shall automatically lapse upon the  
2 Member's retirement or other termination of employment, and  
3 such Member must complete new forms, to be provided by the  
4 Pension Board, to designate a Beneficiary of any  
5 Post-Retirement Joint Survivorship Pension, in accordance with  
6 Section 5.4(d).

7 (g) Proof of Death and Marriage. The Pension Board  
8 may require proper proof of death or marriage in accordance  
9 with Section 5.4(f).

#### 10 5.3 DISABILITY RETIREMENT BENEFITS

11 (a) Non-Service Connected Disability Benefits. Sub-  
12 ject to Section 5.3(h) below, any Member who, after accumulat-  
13 ing ten (10) years of Paid Membership Time, experiences a To-  
14 tal Disability as a result of a Non-Service Connected Disabil-  
15 ity shall be entitled to receive, at the time set forth in  
16 Section 5.3(e), monthly Disability Retirement Benefits deter-  
17 mined in accordance with Section 5.1 above, as though the dis-  
18 abled Member were entitled to a Superannuation Retirement Ben-  
19 efit at the commencement of the disability; however, there  
20 shall be a percentage reduction of such benefit to reflect  
21 early commencement of the payment, such percentage to be based  
22 on the Member's whole years from actual eligibility for a Su-  
23 perannuation Retirement Benefit, as set forth below. Notwith-  
24 standing any provisions to the contrary, the minimum monthly  
25 Disability Retirement Benefit payable in connection with a

1 Non-Service Connected Disability shall be fifty percent (50%)  
 2 of the monthly Compensation the Member was receiving at the  
 3 time he or she experienced a Total Disability.

4	Number of Whole Years Until	Percentage Reduction of Su-
5	Eligibility for Superannua-	perannuation Retirement Bene-
6	tion Retirement Benefit	fit
7	1	93%
8	2	87%
9	3	82%
10	4	77%
11	5	72%
12	6	68%
13	7	64%
14	8	60%
15	9	57%
16	10	54%
17	11 or more	50%

18 (b) Service Connected Disability Benefits. Subject  
 19 to Section 5.3(h) below, any Member who experiences a Total  
 20 Disability as a result of a Service Connected Disability shall

1 be entitled to receive monthly Disability Retirement Benefits  
2 in an amount equal to sixty percent (60%) of the Member's  
3 monthly Compensation that he or she was receiving at the time  
4 he or she experienced a Total Disability.

5 (c) Partial Disability Benefits. In the event that a  
6 Member experiences a Partial Disability in connection with  
7 either a Non-Service Connected Disability or a Service  
8 Connected Disability, the Pension Board and its Medical  
9 Advisor shall determine the percentage of disability suffered,  
10 and the Member shall be entitled to the proportion of the  
11 amount which would have been payable if the disability were a  
12 Total Disability.

13 (d) Disqualification from Receipt of Disability  
14 Benefits. No Disability Retirement Benefits shall be paid if  
15 the use of intoxicating liquor, narcotic drugs, or willful  
16 misconduct of the disabled Member caused, or substantially  
17 contributed to, the disability or if the cause of the  
18 disability was voluntarily and willfully caused by the  
19 disabled Member.

20 (e) Timing of Payment. Payment of Disability  
21 Retirement Benefits provided for by this Section 5.3 shall  
22 commence when the Member separates from employment with the  
23 County and ceases to receive his or her Compensation subject  
24 to the Employee Contribution requirements set forth in Section

1 4.1 and once a determination of disability has been made by  
2 the Pension Board.

3 (f) Re-examination of Members Receiving Disability  
4 Benefits. Disability Retirement Benefits under this Section  
5 5.3 shall only continue for such time as the Member continues  
6 to experience a Total Disability (or a Partial Disability as  
7 determined under Section 5.3(c)). The Pension Board may  
8 require any Member receiving Disability Retirement Benefits to  
9 submit to a medical examination by the Medical Advisor. If the  
10 Member refuses to undergo the medical examination ordered by  
11 the Pension Board, the Member's Disability Retirement Benefits  
12 may be discontinued until the Member consents to the  
13 examination. If a Member's Disability Retirement Benefits are  
14 discontinued based on the Member's refusal to allow a  
15 re-examination by the Medical Advisor, the Member shall wholly  
16 lose such benefits between the date of the Member's refusal or  
17 failure to allow the examination and the date of examination  
18 thereafter made. Should the Medical Advisor report to the  
19 Pension Board that the Member receiving Disability Retirement  
20 Benefits is able to resume his or her usual occupation, such  
21 Member shall be restored to his or her former position if the  
22 Member's position is in the service of the County; otherwise,  
23 the Member shall be placed on the appropriate lay-off list of  
24 the County and shall not receive any additional payments for  
25 disability on and after the date said Member is re-employed by

1 the County or fails or refuses to accept such re-employment.  
2 If the Member is re-employed by the County, the Member shall  
3 resume Employee Contributions immediately upon reemployment in  
4 accordance with Section 4.1. Provided however, the Pension  
5 Board shall in no case make additional Disability Retirement  
6 Benefit payments to a Member on a particular disability claim  
7 beyond six (6) months from the date the Medical Advisor  
8 reports to the Pension Board that the Member is able to resume  
9 his or her usual occupation.

10 (g) Ineligibility for Joint Survivorship Pension  
11 Option. A Member electing a Disability Retirement Benefit  
12 shall not be entitled to elect a Joint Survivorship Pension  
13 provided under Section 5.2 (though such a Member may elect a  
14 25-year Early Retirement Benefit if such Member has met the  
15 eligibility requirements set forth in Section 5.1(b)(2)).

16 (h) Ineligibility for Disability Retirement Benefit  
17 if Eligible for Superannuation Retirement Benefit. In the  
18 event that a Member is eligible for a Superannuation  
19 Retirement Benefit pursuant to Section 5.1(a), such Member  
20 shall not be eligible for a Disability Retirement Benefit.

21 (i) Death. If a Member dies while receiving payment  
22 of a Disability Retirement Benefit, the return of any  
23 remaining portion of his or her Employee Contributions shall  
24 be governed by Section 5.5(e)(4). If the Member has received  
25 payments in an amount at least equal to the amount of Employee

1 Contributions he or she made to the Plan at the time of death,  
2 then no further payments will be made upon the Member's death.

3 5.4 DEATH BENEFITS

4 (a) Pre-Retirement Death Benefits. A Vested Member's  
5 Beneficiary is entitled to a Pre-Retirement Joint Survivorship  
6 Pension, as described below.

7 (1) Married Member. If a married, Active Member  
8 dies, then the Beneficiary may elect, on a form provided by  
9 the Pension Board, to be paid in one of the following forms:

10 (i) 100% Pre-Retirement Joint Survivorship Pension.  
11 If such Member was eligible for a Deferred Retirement Benefit  
12 at the time of the Member's death, then the Beneficiary may  
13 elect to be paid in the form of a 100% Pre-Retirement Joint  
14 Survivorship Pension, which is a monthly annuity paid during  
15 the Beneficiary's lifetime which is equal to the Actuarial  
16 Equivalent of the benefits that would have been paid to the  
17 Member if, instead of dying, the Member had terminated  
18 employment; or

19 (ii) Refund. The Beneficiary may elect a refund of  
20 the Member's Employee Contributions in accordance with Section  
21 5.5(e) (2).

22 (2) Unmarried Member. If an unmarried, Active Member  
23 dies, then the following shall apply:

24 (i) Pre-Retirement Joint Survivorship Pension. If a  
25 Member becomes eligible for a Deferred Retirement Benefit,

1 then the Member may elect, on a form provided by the Pension  
2 Board, a 100% Pre-Retirement Joint Survivorship Pension, which  
3 is a monthly annuity paid during the Beneficiary's lifetime  
4 which is equal to the Actuarial Equivalent of the benefits  
5 that would have been paid to the Member if, instead of dying,  
6 the Member had terminated employment. In the event the  
7 Beneficiary dies before the Member or in the event the Member  
8 marries, any election of a Pre-Retirement Joint Survivorship  
9 Pension automatically shall be revoked and the cost (as  
10 described in Section 5.4(c)(2) below) for the pre-retirement  
11 coverage will cease to accumulate on the date of death of the  
12 Beneficiary or the Member's date of marriage, as applicable.

13 (ii) Refund. Regardless of whether the Member makes  
14 an election for the Beneficiary to be paid in the form of a  
15 Pre-Retirement Joint Survivorship Pension in accordance with  
16 Section 5.4(a)(2)(i) above, upon the Member's death, the  
17 Beneficiary can elect to be paid a refund of the Member's  
18 Employee Contributions in accordance with Section 5.5(e)(2)  
19 instead of being paid a Pre-Retirement Joint Survivorship  
20 Pension.

21 (b) Timing of Payment(s). In the event of an  
22 election of a Pre-Retirement Joint Survivorship Pension, such  
23 payment shall begin as soon as administratively feasible after  
24 the Pension Board is notified of the death. In any event,  
25 calculation of the amount of the death benefit will be made as



1 of the day after the date of death and any payments that do  
2 not occur as of the month following the date of death will be  
3 included in future payments. In the event that a refund is to  
4 be paid, such payment shall be made as soon as  
5 administratively feasible following the Member's death.

6 (c) Cost of Pre-Retirement Joint Survivorship  
7 Pension.

8 (1) Married Members.

9 (i) On and After October 1, 1999. On and after  
10 October 1, 1999, the 100% Pre-Retirement Joint Survivorship  
11 Pension will be provided without additional charge with  
12 respect to a Member who is married at the time of his or her  
13 death, and the cost of such benefit shall be borne by the  
14 System; however, in the event that a Member designates a  
15 non-spousal beneficiary in accordance with Section 5.4(d)(1)  
16 below, the cost of such benefit shall be borne by the  
17 Member/Beneficiary.

18 (ii) Prior to October 1, 1999. Prior to October 1,  
19 1999, a 50% Pre-Retirement Joint Survivorship Pension was  
20 provided to a Member who was married at this time of his or  
21 her death (instead of 100%), and such Members and their  
22 Beneficiaries had an option to elect higher percentages under  
23 certain rules. Members and Beneficiaries who elected a higher  
24 than 50% Pre-Retirement Joint Survivorship Pension prior to  
25 October 1, 1999 shall be charged for the increased percentage

1 according to actuarially-calculated costs, beginning with the  
 2 date of the election through September 30, 1999.

3 (2) Unmarried Members. To the extent that a Member  
 4 who is not married at the time of his or her death previously  
 5 elected payment of a Pre-Retirement Joint Survivorship Pension  
 6 for his or her Beneficiary, the benefit otherwise payable to  
 7 the Member shall be actuarially reduced to reflect the  
 8 survivorship benefits.

9 (d) Beneficiaries.

10 (1) Pre-Retirement Joint Survivorship Pension for a  
 11 Married Member. Unless otherwise elected in the manner  
 12 prescribed below, the Beneficiary of a Pre-Retirement Joint  
 13 Survivorship Pension of a Member that is married at the time  
 14 of his or her death shall be the Member's surviving spouse.  
 15 Except, however, a Member may designate a Beneficiary other  
 16 than the spouse if:

17 (i) the spouse has waived the right to be the  
 18 Member's Beneficiary; or

19 (ii) the Member has been abandoned (within the  
 20 meaning of local law) and the Member has a court order to such  
 21 effect; or

22 (iii) the Member has no spouse.

23 (2) All Other Death Benefits. Except as provided in  
 24 Section 5.4(d)(1) above, a Member, whether married or not, may  
 25 designate any Beneficiary, and may do so without the need of

1 the consent of a spouse for a non-spousal beneficiary  
2 designation.

3 (3) Forms. Designation of a Beneficiary shall be  
4 made on a form provided by the Pension Board. A Member may at  
5 any time revoke a designation of a Beneficiary or change a  
6 Beneficiary by filing written notice of such revocation or  
7 change with the Pension Board on a form provided by the  
8 Pension Board. However, in the case of a Pre-Retirement Joint  
9 Survivorship Pension, the Member's spouse must again consent  
10 in writing to any change in Beneficiary unless the original  
11 consent acknowledged that the spouse had the right to limit  
12 consent only to a specific Beneficiary and that the spouse  
13 voluntarily elected to relinquish such right. For a spouse's  
14 waiver to be valid, the signature of the spouse executing such  
15 form must be notarized. This consent to waiver shall become  
16 irrevocable upon the death of the Member.

17 (4) Failure to Designate a Beneficiary or Lack of  
18 Beneficiary. In the event no valid designation of Beneficiary  
19 exists, or if the Beneficiary is not alive at the time of the  
20 Member's death, the death benefit shall be payable to the  
21 Member's spouse if there is a spouse, and if there is no  
22 spouse, to the Member's estate. Additionally, if the  
23 Beneficiary does not predecease the Member, but dies prior to  
24 the distribution of the death benefit, the death benefit will  
25 be paid to the Beneficiary's estate.

1           (5) More than One Beneficiary. In the event that  
2 more than one primary Beneficiary is designated and a  
3 designated primary Beneficiary dies, absent any direction on  
4 the beneficiary designation form to the contrary, the Member's  
5 benefit shall be divided equally among the remaining primary  
6 Beneficiary(ies).

7           (6) Designation of Non-Persons as Beneficiaries. A  
8 Member may designate a non-person as a Beneficiary (for  
9 example, a trust or estate). In such event, the Pension Board  
10 may require additional documentation (for example, trust  
11 documents).

12           (7) Lapse of Beneficiary Designation. Any  
13 Beneficiary designation made by a Member for a Pre-Retirement  
14 Joint Survivorship Pension or refund shall automatically lapse  
15 upon the Member's election of a Post-Retirement Joint  
16 Survivorship Pension; at that time, the Member must complete  
17 new forms, to be provided by the Pension Board, to designate a  
18 Beneficiary of any Post-Retirement Joint Survivorship Pension.

19           (8) Effect of Marriage or Divorce Upon a Beneficiary  
20 Designation. Except in the case of a Pre-Retirement Joint  
21 Survivorship Pension, marriage or divorce does not change any  
22 previous beneficiary designation. In the case of a  
23 Pre-Retirement Joint Survivorship Pension, if an unmarried  
24 Member gets married, such Member's spouse shall automatically

1 become the Member's Beneficiary (which can thereafter be  
2 waived in accordance with Section 5.4(d)(1) above).

3 (9) Distribution for Minor or Incompetent  
4 Beneficiary. In the event a distribution is to be made to a  
5 minor or incompetent Beneficiary, then the Pension Board may  
6 direct that such distribution be paid to the legal guardian,  
7 or if none in the case of a minor Beneficiary, to a parent of  
8 such Beneficiary or a responsible adult with whom the  
9 Beneficiary maintains residence, or to the custodian for such  
10 Beneficiary under the Uniform Gift to Minors Act or Gift to  
11 Minors Act, if such is permitted by the laws of the state in  
12 which said Beneficiary resides. Such a payment to the legal  
13 guardian, custodian or parent of a minor Beneficiary shall  
14 fully discharge the Trustee, the County, the Pension Board and  
15 the Plan from further liability on account thereof. The  
16 Pension Board may require evidence of guardianship, existence  
17 of custodial accounts or any other documentation that is  
18 deemed prudent to establish that payment will be made  
19 properly.

20 (e) Other Death Benefits. Upon a Member's retirement  
21 or other termination of employment, any Pre-Retirement Joint  
22 Survivorship Pension benefit coverage ceases. Any other  
23 benefits to be paid upon the death of a Member or Beneficiary  
24 (e.g., refunds) are governed by Section 5.5(e).

1           (f) Proof of Death and Marriage. The Pension Board  
2 may require such proper proof of death/marriage and such  
3 evidence of the right of any person to receive the death  
4 benefit payable as a result of the death of a Member as the  
5 Pension Board may deem desirable. Such proof may include a  
6 certified marriage certificate, certified death certificate of  
7 the Member; affidavits of relatives, Members or other persons  
8 knowledgeable of the fact of marriage. If no marriage  
9 certificate is available and for common law marriage, proof  
10 shall include evidence of the existence of the marriage as may  
11 be required by law and also may require indemnification and  
12 hold harmless agreements. The Pension Board may require that  
13 unclear cases be adjudicated in an appropriate court  
14 proceeding. An unmarried Member may be required by the Pension  
15 Board to sign an affidavit to certify that such Member is not  
16 married. The Pension Board's determination of death benefits  
17 and the right of any person to receive payment shall be  
18 conclusive.

19           5.5 WITHDRAWAL AND REFUND OF EMPLOYEE CONTRIBUTIONS

20           The following provisions generally govern a Member's  
21 withdrawal and refund of Employee Contributions under the  
22 Plan. Any Member who fails to make application for the amount  
23 of his or her Employee Contributions pursuant to this Section  
24 5.5 within five (5) years after his or her separation from the  
25 service of the County, except as otherwise provided herein or

1 otherwise determined by the Pension Board, shall be deemed to  
2 have forfeited and donated such Employee Contributions to the  
3 Trust Fund pursuant to Section 4.4. The foregoing five (5)  
4 year rule only applies to a Member; in the case of a  
5 Beneficiary, the Pension Board may only forfeit Employee  
6 Contributions after it has exhausted reasonable efforts to  
7 locate said Beneficiary.

8 (a) Withdrawal of Employee Contributions by Members  
9 Not Entitled to a Deferred Retirement Benefit. In the event  
10 that a Member ceases to be an Employee of the County for  
11 reasons other than retirement, death or disability before he  
12 or she is eligible for a Deferred Retirement Benefit, such  
13 Member, upon written application therefore to the Pension  
14 Board, shall be paid the full amount of his or her Employee  
15 Contributions, without interest.

16 (b) Withdrawal of Employee Contributions by Members  
17 Entitled to a Deferred Retirement Benefit.

18 (1) General Rule. Subject to the limitations stated  
19 below in Section 5.5(b)(2), in the event that a Member ceases  
20 to be an Employee of the County for reasons other than  
21 retirement, death or disability when he or she is eligible for  
22 a Deferred Retirement Benefit (but has not elected a Deferred  
23 Retirement Benefit), such Member, upon written application  
24 therefore to the Pension Board, shall be paid the full amount  
25 of his or her Employee Contributions, with interest. The

1 provisions of Section 5.1(c)(1)(ii) shall govern the  
2 withdrawal of Employee Contributions for any Member who has  
3 elected a Deferred Retirement Benefit, but has not yet been  
4 paid.

5 (2) Rules and Regulations. The Pension Board shall  
6 establish by rules and regulations setting forth the amount of  
7 interest which is payable to Members under this Section  
8 5.5(b). In establishing such rules and regulations, the  
9 Pension Board shall take into consideration the interest the  
10 System has earned on the Employee Contributions paid into the  
11 Trust Fund on account of the Member withdrawing such Employee  
12 Contributions. The Pension Board may amend such rules and  
13 regulations at any time in its sole discretion.

14 (c) Withdrawal of Employee Contributions by Members  
15 Who Become Members of Another Pension System. If a Member  
16 becomes a member of Another Pension System, such Member shall  
17 have the right to withdraw from the Plan. In order to  
18 accomplish such withdrawal, such Member must deliver to the  
19 Pension Board a written notice of his or her election to  
20 withdraw from the Plan, which notice shall include the name of  
21 such other pension system which such Member is electing to  
22 join and shall identify the act creating it. If the Pension  
23 Board determines that such Member is entitled to withdraw from  
24 the Plan, the Member shall no longer be a Member of the Plan  
25 and Employee Contributions by him or her and by the County on



1 his or her behalf to the Trust Fund shall cease. If the  
2 Pension Board finds that before such Member delivered the  
3 aforesaid notice to the Pension Board, he or she had not  
4 become entitled to elect a Deferred Retirement Benefit, the  
5 Pension Board will return to such Member the full amount of  
6 his or her Employee Contributions, without interest. If the  
7 Pension Board finds that before such Member delivered said  
8 notice to the Pension Board, he or she had become entitled to  
9 elect a Deferred Retirement Benefit, the Pension Board will  
10 return to such Member the full amount of his or her Employee  
11 Contributions, with interest as provided by rules and  
12 regulations adopted by the Pension Board.

13 (d) Partial Refund of Employee Contributions and  
14 Cessation of Employee Contributions and Employer  
15 Contributions. When a Member's service entitles him or her to  
16 receive the maximum benefit that can be provided under the  
17 Plan, said Member may elect to terminate his or her Employee  
18 Contributions by filing with the secretary of the Pension  
19 Board a statement signed by said Member stating that he or she  
20 elects to terminate his or her Employee Contributions; in such  
21 case, the Employer Contribution to the Trust Fund on said  
22 Member's behalf shall cease. As soon as practicable after a  
23 Member files such statement, the Pension Board shall refund to  
24 him or her all Employee Contributions, without interest, made  
25 by him or her to the Trust Fund subsequent to the date on

1 which the Member accumulated sufficient service to entitle him  
 2 or her to the maximum benefit that can be provided under the  
 3 Plan; additionally the Pension Board shall refund to the  
 4 County any associated Employer Contributions, without  
 5 interest.

6 (e) Refunds Upon Death of a Member.

7 (1) Refund of Employee Contributions for Deceased,  
 8 Non-Vested Active Members Not Entitled to Deferred Retirement  
 9 Benefits. If a non-Vested Active Member dies, then an amount  
 10 equal to the total amount of such Member's Employee  
 11 Contributions, without interest, shall be refunded to the  
 12 Member's Beneficiary in one lump sum payment.

13 (2) Refund of Employee Contributions for Deceased,  
 14 Vested Members Entitled to Deferred Retirement Benefits, but  
 15 no Payments have Commenced.

16 (i) Eligibility. Unless an election has been made in  
 17 accordance with Section 5.4 to receive a Pre-Retirement Joint  
 18 Survivorship Pension, if a Vested Member dies (before payments  
 19 have commenced), then an amount equal to the total amount of  
 20 such Member's Employee Contributions, with interest, shall be  
 21 refunded to the Member's Beneficiary in one lump sum payment.  
 22 This rule shall apply regardless of whether the Member dies  
 23 while Active, or after a Deferred Retirement election has been  
 24 made, so long as payments have not commenced.

1           (ii) Rules and Regulations. The Pension Board is  
2 authorized to adopt interest rules providing for the Pension  
3 Board to pay to a Beneficiary interest at the rate prescribed  
4 in such rules on the Member's Employee Contributions that are  
5 to be refunded to said Beneficiary. The interest rules  
6 established will prescribe the terms and conditions on which  
7 such interest will be payable and may impose such limitations  
8 on the payment of interest as the Pension Board deems  
9 appropriate.

10           (3) Refund of Employee Contributions for Deceased  
11 Members Who Previously Elected a Post-Retirement Joint  
12 Survivorship Pension.

13           (i) Eligibility - Retired Member. Subject to Section  
14 5.5(e) (3) (ii) (A)-(C) below, if a Retired Member dies after a  
15 Post-Retirement Joint Survivorship Pension has been elected,  
16 then a refund may be paid in one lump sum only as set forth in  
17 Section 5.5(e) (3) (ii) below.

18           (ii) Rules and Regulations. The Pension Board is  
19 authorized to adopt rules and regulations providing for the  
20 Pension Board to refund a Member's Employee Contributions  
21 after such Member dies with a Post-Retirement Joint  
22 Survivorship Pension election in place and to pay interest on  
23 any such refund, subject to the conditions and limitations  
24 stated below:

1 (A) such Post-Retirement Joint Survivorship Pension  
 2 election shall not be repealed or rescinded but shall be in  
 3 effect at the time of the refund, and the Member shall have  
 4 enough service at the time of his or her death to be entitled  
 5 to a Deferred Retirement Benefit if a refund were not made;  
 6 and

7 (B) both the Member and the Member's primary  
 8 Beneficiary must be deceased (thus, no refund is payable in  
 9 the event that only the Member dies while receiving payment of  
 10 a Post-Retirement Joint Survivorship Pension): and

11 (C) the Member's Employee Contributions must exceed  
 12 the sum of all monthly retirement benefits the Plan has paid  
 13 to the Member and/or the Member's Beneficiary.

14 (iii) Amount of Refund. If each of the requirements  
 15 in Section 5.5(e) (3) (i) and (ii) above are met, and the  
 16 Pension Board has adopted rules and regulations in accordance  
 17 with Section 5.5(e) (3) (ii) above, then the amount of the  
 18 refund shall be equal to the amount by which the Member's  
 19 Employee Contributions exceed the sum of all monthly  
 20 retirement benefits the Plan has paid to such Member and/or  
 21 such Member's Beneficiary, with interest as provided by rules  
 22 and regulations adopted by the Pension Board.

23 (iv) Payment Made to Contingent Beneficiary. A  
 24 refund pursuant to this Section 5.5(e) (3) shall be paid to the  
 25 Member's designated contingent Beneficiary (or, to the

1 Member's estate if the contingent Beneficiary also is deceased  
2 or there is no properly designated contingent Beneficiary).

3 (v) Death While Active Member. In the event that an  
4 Active Member dies after a Post-Retirement Joint Survivorship  
5 Pension has been elected, such election will be deemed void  
6 and the provisions of Section 5.4(a) (Pre-Retirement Death  
7 Benefits) shall apply.

8 (4) Refund of Employee Contributions for Deceased  
9 Members Who Were Receiving Superannuation, Early, Disability  
10 or Deferred Retirement Benefit Payments. In the event that a  
11 Member dies while receiving a Superannuation Retirement  
12 Benefit, an Early Retirement Benefit, a Disability Retirement  
13 Benefit or a Deferred Retirement Benefit, then his or her  
14 Beneficiary shall be entitled to receive a refund in an amount  
15 equal to the amount by which the Member's Employee  
16 Contributions exceed the sum of all monthly retirement  
17 benefits the Plan has paid to such Member, without interest.

18 (5) Proof of Death and Marriage. The Pension Board  
19 may require proper proof of death or marriage in accordance  
20 with Section 5.4(f).

21 (f) Employer Contributions Remain in Trust Fund.  
22 Employer Contributions are never refunded to the Member or the  
23 Member's Beneficiary. All associated Employer Contributions  
24 shall remain in the Trust Fund, except such Employer

1 Contributions that are returned to the County pursuant to  
2 Section 5.5(h) below.

3 (g) Cessation of Employment. Unless otherwise  
4 specifically provided in the Plan (e.g., pursuant to Section  
5 5.5(h) below), a Member must cease to be an Employee of the  
6 County in order to receive a refund of Employee Contributions.

7 (h) Refunds to Correct Errors. The Pension Board  
8 may, in its sole discretion, refund Employee Contributions and  
9 associated Employer Contributions to the County to correct  
10 various errors (e.g., inclusion in the Plan of an ineligible  
11 individual or overpayment of Employee Contributions), in  
12 accordance with Section 2.4(b).

13 (i) No Refunds for Qualified Military Service. There  
14 shall be no refund of any contributions attributable to  
15 amounts that the County restores pursuant to Section 4.1(b)  
16 due to a Member's Qualified Military Service.

17 (j) Timing of Refund Payments. In the event that a  
18 refund is to be paid, such payment shall be made as soon as  
19 administratively practical following the date upon which  
20 entitlement to the refund occurs.

21 (k) Refund to Include Amounts Transferred from  
22 457(b) Plan. In the event that any Member transfers amounts  
23 from a IRC Section 457(b) plan in accordance with Section  
24 9.1(b), a refund shall include such transferred amounts (with  
25 interest if the Member is Vested).

1                   5.6 OFFSET OF BENEFITS FOR REHIRED RETIRED MEMBERS  
2 BY AMOUNTS PAYABLE BY COUNTY

3                   Any amount otherwise payable under the Plan to a  
4 rehired Retired Member for any month or part thereof on  
5 account of retirement or disability shall be reduced by the  
6 amount, if any, paid or payable to such Retired Member  
7 (including payments of any Worker's Compensation Benefits) for  
8 the same month or part thereof by the County on account of or  
9 by reason of employment of such Member during such months by  
10 the County. Such offset shall occur regardless of whether such  
11 Retired Member is employed through a federally-funded program.  
12 No offset shall occur under this Section 5.6 in the event that  
13 the Retired Member is not employed by the County (e.g., if the  
14 Retired Member is employed by an entity other than the County,  
15 or if the Retired Member serves in the capacity of an  
16 independent contractor).

17                   5.7 MINIMUM DISTRIBUTION REQUIREMENTS

18                   (a) General Rules.

19                   (1) Effective Date. Except as otherwise provided  
20 herein, the provisions of this Section 5.7 will apply for  
21 purposes of determining required minimum distributions for  
22 calendar years beginning on and after January 1, 1987.

23                   (2) Requirements of Treasury Regulations  
24 Incorporated. All distributions required under this Section  
25 5.7 shall be determined and made in accordance with IRC

1 Section 401(a)(9), including the incidental death benefit  
 2 requirement in IRC Section 401(a)(9)(G), and the Regulations  
 3 thereunder.

4 (3) Precedence. Subject to the joint and survivor  
 5 annuity requirements of the Plan, the requirements of this  
 6 Section 5.7 shall take precedence over any inconsistent  
 7 provisions of the Plan.

8 (b) Time and Manner of Distribution.

9 (1) Required Beginning Date. The Member's entire  
 10 interest will be distributed, or begin to be distributed, to  
 11 the Member no later than the Member's Required Beginning Date.

12 (2) Death of Member Before Distributions Begin. If  
 13 the Member dies before distributions begin, the Member's  
 14 entire interest will be distributed, or begin to be  
 15 distributed, no later than as follows:

16 (i) Life Expectancy Rule, Spouse is Beneficiary. At  
 17 the election of the Member or, if no election is made by the  
 18 Member, then at the election of the Member's Designated  
 19 Beneficiary, if the Member's surviving spouse is the Member's  
 20 sole Designated Beneficiary, then distributions to the  
 21 surviving spouse will begin by December 31st of the calendar  
 22 year immediately following the calendar year in which the  
 23 Member died, or by December 31st of the calendar year in which  
 24 the Member would have attained age 70 1/2, if later.



1           (ii) Life Expectancy Rule, Spouse is not  
2 Beneficiary. At the election of the Member or, if no election  
3 is made by the Member, then at the election of the Member's  
4 Designated Beneficiary, if the Member's surviving spouse is  
5 not the Member's sole Designated Beneficiary, then  
6 distributions to the Designated Beneficiary will begin by  
7 December 31st of the calendar year immediately following the  
8 calendar year in which the Member died.

9           (iii) 5-Year Rule. At the election of the Member or,  
10 if no election is made by the Member, then at the election of  
11 the Member's Designated Beneficiary, if the Member dies before  
12 distributions begin and there is a Designated Beneficiary,  
13 then the Member's entire interest will be distributed to the  
14 Designated Beneficiary by December 31st of the calendar year  
15 containing the fifth anniversary of the Member's death. If the  
16 Member's surviving spouse is the Member's sole Designated  
17 Beneficiary and the surviving spouse dies after the Member but  
18 before distributions to either the Member or the surviving  
19 spouse begin, then this Section 5.7(b)(2)(iii) will apply as  
20 if the surviving spouse were the Member. This Section  
21 5.7(b)(2)(iii) will apply to all distributions.

22           Members or beneficiaries may elect on an individual  
23 basis whether the 5-year rule in Section 5.7(b)(2)(iii) or the  
24 life expectancy rule in Sections 5.7(b)(2)(i) or  
25 5.7(b)(2)(ii), and 5.7(e) applies to distributions after the

1 death of a Member who has a Designated Beneficiary. The  
2 election must be made no later than the earlier of September  
3 30th of the calendar year in which distribution would be  
4 required to begin under Sections 5.7(b) (2) (i) or  
5 5.7(b) (2) (ii), or by September 30th of the calendar year which  
6 contains the fifth anniversary of the Member's (or, if  
7 applicable, surviving spouse's) death under Section  
8 5.7(b) (2) (iii). If neither the Member nor beneficiary makes an  
9 election under this paragraph, distributions will be made in  
10 accordance with Sections 5.7(b) (2) (i) or 5.7(b) (2) (ii), and  
11 5.7(e).

12 (iv) No Designated Beneficiary, 5-Year Rule. If  
13 there is no Designated Beneficiary as of September 30th of the  
14 year following the year of the Member's death, the Member's  
15 entire interest will be distributed by December 31st of the  
16 calendar year containing the fifth anniversary of the Member's  
17 death.

18 (v) Surviving Spouse Dies Before Distributions  
19 Begin. If the Member's surviving spouse is the Member's sole  
20 Designated Beneficiary and the surviving spouse dies after the  
21 Member but before distributions to the surviving spouse begin,  
22 then this Section 5.7(b), other than Section 5.7(b) (2) (i),  
23 will apply as if the surviving spouse were the Member.

24 For purposes of this Section 5.7(b) and Section  
25 5.7(e), distributions are considered to begin on the Member's

1 Required Beginning Date (or, if Section 5.7(b)(2)(v) applies,  
2 the date distributions are required to begin to the surviving  
3 spouse under Section 5.7(b)(2)(i)). If annuity payments  
4 irrevocably commence to the Member before the Member's  
5 Required Beginning Date (or to the Member's surviving spouse  
6 before the date distributions are required to begin to the  
7 surviving spouse under Section 5.7(b)(2)(i)), the date  
8 distributions are considered to begin is the date  
9 distributions actually commence.

10 (3) Form of Distribution. Unless the Member's  
11 interest is distributed in the form of an annuity purchased  
12 from an insurance company or in a single sum on or before the  
13 Required Beginning Date, as of the first Distribution Calendar  
14 Year distributions will be made in accordance with Sections  
15 5.7(c), 5.7(d), and 5.7(e). If the Member's interest is  
16 distributed in the form of an annuity purchased from an  
17 insurance company, distributions thereunder will be made in  
18 accordance with the requirements of IRC Section 401(a)(9) and  
19 the Regulations thereunder. Any part of the Member's interest  
20 which is in the form of an individual account described in IRC  
21 Section 414(k) will be distributed in a manner satisfying the  
22 requirements of IRC Section 401(a)(9) and the Regulations  
23 thereunder applicable to individual accounts.

24 (c) Determination of Amount to be Distributed Each  
25 Year.

1           (1) General Annuity Requirements. A Member who is  
 2 required to begin payments as a result of attaining his or her  
 3 Required Beginning Date, whose interest has not been  
 4 distributed in the form of an annuity purchased from an  
 5 insurance company or in a single sum before such date, may  
 6 receive such payments in the form of annuity payments under  
 7 the Plan. Payments under such annuity must satisfy the  
 8 following requirements:

9           (i) The annuity distributions will be paid in  
 10 periodic payments made at intervals not longer than one year;

11           (ii) The distribution period will be over a life (or  
 12 lives) or over a period certain not longer than the period  
 13 described in Section 5.7(d) or 5.7(e);

14           (iii) Once payments have begun over a period  
 15 certain, the period certain will not be changed even if the  
 16 period certain is shorter than the maximum permitted.

17           (iv) Payments will either be nonincreasing or  
 18 increase only to the extent permitted by one of the following  
 19 conditions:

20           (A) By an annual percentage increase that does not  
 21 exceed the annual percentage increase in a cost-of-living  
 22 index that for a 12-month period ending in the year during  
 23 which the increase occurs or the prior year;

24           (B) By a percentage increase that occurs at  
 25 specified times (e.g., at specified ages) and does not exceed

1 the cumulative total of annual percentage increases in an  
2 Eligible Cost-of-Living Index since the Annuity Starting Date,  
3 or if later, the date of the most recent percentage increase.  
4 In cases providing such a cumulative increase, an actuarial  
5 increase may not be provided to reflect the fact that  
6 increases were not provided in the interim years;

7 (C) To the extent of the reduction in the amount of  
8 the Member's payments to provide for a survivor benefit upon  
9 death, but only if the beneficiary whose life was being used  
10 to determine the distribution period described in Section  
11 5.7(d) dies or is no longer the Member's beneficiary pursuant  
12 to a qualified domestic relations order within the meaning of  
13 IRC Section 414(p);

14 (D) To allow a beneficiary to convert the survivor  
15 portion of a joint and survivor annuity into a single sum  
16 distribution upon the Member's death;

17 (E) To pay increased benefits that result from a  
18 Plan amendment or other increase in the Member's Accrued  
19 Benefit under the Plan;

20 (F) By a constant percentage, applied not less  
21 frequently than annually, at a rate that is less than five  
22 percent (5%) per year;

23 (G) To provide a final payment upon the death of the  
24 Member that does not exceed the excess of the actuarial  
25 present value of the Member's accrued benefit (within the

1 meaning of IRC Section 411(a)(7)) calculated as of the Annuity  
 2 Starting Date using the applicable interest rate and the  
 3 applicable mortality table under IRC Section 417(e) (or, if  
 4 greater, the total amount of Employee Contributions) over the  
 5 total of payments before the death of the Member; or

6 (H) As a result of dividend or other payments that  
 7 result from Actuarial Gains, provided:

8 (i) Actuarial gain is measured not less frequently  
 9 than annually;

10 (ii) The resulting dividend or other payments are  
 11 either paid no later than the year following the year for  
 12 which the actuarial experience is measured or paid in the same  
 13 form as the payment of the annuity over the remaining period  
 14 of the annuity (beginning no later than the year following the  
 15 year for which the actuarial experience is measured);

16 (iii) The Actuarial Gain taken into account is  
 17 limited to Actuarial Gain from investment experience;

18 (iv) The assumed interest rate used to calculate  
 19 such Actuarial Gains is not less than three percent (3%); and

20 (v) The annuity payments are not also being  
 21 increased by a constant percentage as described in Section  
 22 5.7(c)(1)(iv)(F) above.

23 (2) Amount Required to be Distributed by Required  
 24 Beginning Date.

1           (i) In the case of a Member whose interest in the  
2 Plan is being distributed as an annuity pursuant to Section  
3 5.7(c)(1) above, the amount that must be distributed on or  
4 before the Member's Required Beginning Date (or, if the Member  
5 dies before distributions begin, the date distributions are  
6 required to begin under Section 5.7(b)(2)(i) or 5.7(b)(2)(ii))  
7 is the payment that is required for one payment interval. The  
8 second payment need not be made until the end of the next  
9 payment interval even if that payment interval ends in the  
10 next calendar year. Payment intervals are the periods for  
11 which payments are received, e.g., bi-monthly, monthly, semi  
12 annually, or annually. All of the Member's benefit accruals as  
13 of the last day of the first Distribution Calendar Year will  
14 be included in the calculation of the amount of the annuity  
15 payments for payment intervals ending on or after the Member's  
16 Required Beginning Date.

17           (ii) In the case of a single sum distribution of a  
18 Member's entire accrued benefit during a Distribution Calendar  
19 Year, the amount that is the required minimum distribution for  
20 the Distribution Calendar Year (and thus not eligible for  
21 rollover under IRC Section 402(c)) is determined under this  
22 paragraph. The portion of the single sum distribution that is  
23 a required minimum distribution is determined by treating the  
24 single sum distribution as a distribution from an individual  
25 account plan and treating the amount of the single sum

1 distribution as the Member's account balance as of the end of  
2 the relevant valuation calendar year. If the single sum  
3 distribution is being made in the calendar year containing the  
4 Required Beginning Date and the required minimum distribution  
5 for the Member's first Distribution Calendar Year has not been  
6 distributed, the portion of the single sum distribution that  
7 represents the required minimum distribution for the Member's  
8 first and second Distribution Calendar Year is not eligible  
9 for rollover.

10 (3) Additional Accruals After First Distribution  
11 Calendar Year. Any additional benefits accruing to the Member  
12 in a calendar year after the first Distribution Calendar Year  
13 will be distributed beginning with the first payment interval  
14 ending in the calendar year immediately following the calendar  
15 year in which such amount accrues. Notwithstanding the  
16 preceding, the Plan will not fail to satisfy the requirements  
17 of this paragraph and IRC Section 401(a)(9) merely because  
18 there is an administrative delay in the commencement of the  
19 distribution of the additional benefits accrued in a calendar  
20 year, provided that the actual payment of such amount  
21 commences as soon as practicable. However, payment must  
22 commence no later than the end of the first calendar year  
23 following the calendar year in which the additional benefit  
24 accrues, and the total amount paid during such first calendar



1 year must be no less than the total amount that was required  
2 to be paid during that year under this paragraph.

3 (4) Death of Member After Distributions Begin. If a  
4 Member dies after distribution of the Member's interest begins  
5 in the form of an annuity meeting the requirements of this  
6 Section 5.7, then the remaining portion of the Member's  
7 interest will continue to be distributed over the remaining  
8 period over which distributions commenced.

9 (d) Requirements For Annuity Distributions That  
10 Commence During Member's Lifetime.

11 (1) Joint Life Annuities Where the Beneficiary Is  
12 the Member's Spouse. If distributions commence under a  
13 distribution option that is in the form of a joint and  
14 survivor annuity for the joint lives of the Member and the  
15 Member's spouse, the minimum distribution incidental benefit  
16 requirement will not be satisfied as of the date distributions  
17 commence unless, under the distribution option, the periodic  
18 annuity payment payable to the survivor does not at any time  
19 on and after the Member's Required Beginning Date exceed the  
20 annuity payable to the Member. In the case of an annuity that  
21 provides for increasing payments, the requirement of this  
22 Paragraph will not be violated merely because benefit payments  
23 to the beneficiary increase, provided the increase is  
24 determined in the same manner for the Member and the  
25 beneficiary. If the form of distribution combines a joint and

1 survivor annuity for the joint lives of the Member and the  
2 Member's spouse and a period certain annuity, the preceding  
3 requirements will apply to annuity payments to be made to the  
4 Designated Beneficiary after the expiration of the period  
5 certain.

6 (2) Joint Life Annuities Where the Beneficiary Is  
7 Not the Member's Spouse. If the Member's interest is being  
8 distributed in the form of a joint and survivor annuity for  
9 the joint lives of the Member and a beneficiary other than the  
10 Member's spouse, the minimum distribution incidental benefit  
11 requirement will not be satisfied as of the date distributions  
12 commence unless under the distribution option, the annuity  
13 payments to be made on and after the Member's Required  
14 Beginning Date will satisfy the conditions of this Paragraph.  
15 The periodic annuity payment payable to the survivor must not  
16 at any time on and after the Member's Required Beginning Date  
17 exceed the applicable percentage of the annuity payment  
18 payable to the Member using the table set forth in Q &  
19 A-2(c)(2) of Section 1.401(a)(9)-6 of the Regulations. The  
20 applicable percentage is based on the adjusted  
21 Member/beneficiary age difference. The adjusted  
22 Member/beneficiary age difference is determined by first  
23 calculating the excess of the age of the Member over the age  
24 of the beneficiary based on their ages on their birthdays in a  
25 calendar year. If the Member is younger than age 70, the age

1 difference determined in the previous sentence is reduced by  
2 the number of years that the Member is younger than age 70 on  
3 the Member's birthday in the calendar year that contains the  
4 Annuity Starting Date. In the case of an annuity that provides  
5 for increasing payments, the requirement of this Paragraph  
6 will not be violated merely because benefit payments to the  
7 beneficiary increase, provided the increase is determined in  
8 the same manner for the Member and the beneficiary. If the  
9 form of distribution combines a joint and survivor annuity for  
10 the joint lives of the Member and a nonspouse beneficiary and  
11 a period certain annuity, the preceding requirements will  
12 apply to annuity payments to be made to the Designated  
13 Beneficiary after the expiration of the period certain.

14 (3) Period Certain Annuities. Unless the Member's  
15 spouse is the sole Designated Beneficiary and the form of  
16 distribution is a period certain and no life annuity, the  
17 period certain for an annuity distribution commencing during  
18 the Member's lifetime may not exceed the applicable  
19 distribution period for the Member under the Uniform Lifetime  
20 Table set forth in Regulation Section 1.401(a)(9)-9 for the  
21 calendar year that contains the Annuity Starting Date. If the  
22 Annuity Starting Date precedes the year in which the Member  
23 reaches age 70, the applicable distribution period for the  
24 Member is the distribution period for age 70 under the Uniform  
25 Lifetime Table set forth in Regulation Section 1.401(a)(9)-9

1 plus the excess of 70 over the age of the Member as of the  
2 Member's birthday in the year that contains the Annuity  
3 Starting Date. If the Member's spouse is the Member's sole  
4 Designated Beneficiary and the form of distribution is a  
5 period certain and no life annuity, the period certain may not  
6 exceed the longer of the Member's applicable distribution  
7 period, as determined under this Section 5.7(d)(3), or the  
8 joint life and last survivor expectancy of the Member and the  
9 Member's spouse as determined under the Joint and Last  
10 Survivor Table set forth in Regulation Section 1.401(a)(9)-9,  
11 using the Member's and spouse's attained ages as of the  
12 Member's and spouse's birthdays in the calendar year that  
13 contains the Annuity Starting Date.

14 (e) Requirements For Minimum Distributions Where  
15 Member Dies Before Date Distributions Begin.

16 (1) Member Survived by Designated Beneficiary and  
17 Life Expectancy Rule. At the election of the Member or, if no  
18 election is made by the Member, then at the election of the  
19 Member's Designated Beneficiary, if the Member dies before the  
20 date distribution of his or her interest begins and there is a  
21 Designated Beneficiary, the Member's entire interest will be  
22 distributed, beginning no later than the time described in  
23 Section 5.7(b)(2)(i) or 5.7(b)(2)(ii), over the life of the  
24 Designated Beneficiary or over a period certain not exceeding:

1           (i) Unless the Annuity Starting Date is before the  
2 first Distribution Calendar Year, the Life Expectancy of the  
3 Designated Beneficiary determined using the beneficiary's age  
4 as of the beneficiary's birthday in the calendar year  
5 immediately following the calendar year of the Member's death;  
6 or

7           (ii) If the Annuity Starting Date is before the  
8 first Distribution Calendar Year, the Life Expectancy of the  
9 Designated Beneficiary determined using the beneficiary's age  
10 as of the beneficiary's birthday in the calendar year that  
11 contains the Annuity Starting Date.

12           (2) Member Survived by Designated Beneficiary and  
13 5-Year Rule. At the election of the Member or, if no election  
14 is made by the Member, then at the election of the Member's  
15 Designated Beneficiary, if the Member dies before  
16 distributions begin and there is a Designated Beneficiary,  
17 then the Member's entire interest will be distributed to the  
18 Designated Beneficiary by December 31st of the calendar year  
19 containing the fifth anniversary of the Member's death. This  
20 Section 5.7(e) (2) will apply to all distributions.

21           (3) No Designated Beneficiary. If the Member dies  
22 before the date distributions begin and there is no Designated  
23 Beneficiary as of September 30th of the year following the  
24 year of the Member's death, distribution of the Member's  
25 entire interest will be completed by December 31st of the

1 calendar year containing the fifth anniversary of the Member's  
2 death.

3 (4) Death of Surviving Spouse Before Distributions  
4 to Surviving Spouse Begin. If the Member dies before the date  
5 distribution of his or her interest begins, the Member's  
6 surviving spouse is the Member's sole Designated Beneficiary,  
7 and the surviving spouse dies before distributions to the  
8 surviving spouse begin, this Section 5.7(e) will apply as if  
9 the surviving spouse were the Member, except that the time by  
10 which distributions must begin will be determined without  
11 regard to Section 5.7(b)(2)(i).

12 (f) Definitions.

13 (1) Actuarial Gain. "Actuarial Gain" means the  
14 difference between an amount determined using the actuarial  
15 assumptions (i.e., investment return, mortality, expense, and  
16 other similar assumptions) used to calculate the initial  
17 payments before adjustment for any increases and the amount  
18 determined under the actual experience with respect to those  
19 factors. Actuarial Gain also includes differences between the  
20 amount determined using actuarial assumptions when an annuity  
21 was purchased or commenced and such amount determined using  
22 actuarial assumptions used in calculating payments at the time  
23 the Actuarial Gain is determined.

24 (2) Designated Beneficiary. "Designated Beneficiary"  
25 means the individual who is designated as the beneficiary

1 under Section 5.4 of the Plan and is the designated  
2 beneficiary under IRC Section 401(a)(9) and Regulation Section  
3 1.401(a)(9)-1, Q & A-4.

4 (3) Distribution Calendar Year. "Distribution  
5 Calendar Year" means a calendar year for which a minimum  
6 distribution is required. For distributions beginning before  
7 the Member's death, the first Distribution Calendar Year is  
8 the calendar year immediately preceding the calendar year  
9 which contains the Member's Required Beginning Date. For  
10 distributions beginning after the Member's death, the first  
11 Distribution Calendar Year is the calendar year in which  
12 distributions are required to begin pursuant to Section  
13 5.7(b).

14 (4) Eligible Cost-of-Living Index. An "Eligible  
15 Cost-of-Living Index" means an index described below:

16 (i) A consumer price index that is based on prices  
17 of all items (or all items excluding food and energy) and  
18 issued by the Bureau of Labor Statistics, including an index  
19 for a specific population (such as urban consumers or urban  
20 wage earners and clerical workers) and an index for a  
21 geographic area or areas (such as a given metropolitan area or  
22 state); or

23 (ii) A percentage adjustment based on a  
24 cost-of-living index described in Section 5.7(f)(4)(i) above,  
25 or a fixed percentage, if less. In any year when the

1 cost-of-living index is lower than the fixed percentage, the  
2 fixed percentage may be treated as an increase in an Eligible  
3 Cost-of-Living Index, provided it does not exceed the sum of:

4 (A) The cost-of-living index for that year; and

5 (B) The accumulated excess of the annual  
6 cost-of-living index from each prior year over the fixed  
7 annual percentage used in that year (reduced by any amount  
8 previously utilized under this Section 5.7(f)(4)(ii)).

9 (iii) A percentage adjustment based on the increase  
10 in compensation for the position held by the Member at the  
11 time of retirement, and provided under the terms of the Plan.

12 (5) Life Expectancy. "Life Expectancy" means the  
13 life expectancy as computed by use of the Single Life Table in  
14 Regulation Section 1.401(a)(9)-9.

15 (6) Required Beginning Date. "Required Beginning  
16 Date" means the April 1st of the calendar year following the  
17 later of:

18 (i) the calendar year in which the Member attains  
19 age 70 1/2; or

20 (ii) the calendar year in which the Member retires.

21 5.8 TIME OF SEGREGATION OR DISTRIBUTION

22 Except as otherwise provided herein, whenever the  
23 Trustee is to make a distribution or to commence a series of  
24 payments the distribution or series of payments may be made or  
25 begun on such date or as soon thereafter as is practicable.



1                   5.9 DIRECT ROLLOVERS

2                   Except as otherwise specifically provided in this  
 3 Section 5.9, the provisions of this Section 5.9 shall be  
 4 effective as of January 1, 1993.

5                   (a) Rollovers Generally.

6                   (1) Notwithstanding any provision of the Plan to the  
 7 contrary that would otherwise limit a "distributee's" election  
 8 under this Section 5.9, a "distributee" may elect, at the time  
 9 and in the manner prescribed by the Pension Board, to have any  
 10 portion of an "eligible rollover distribution" that is equal  
 11 to at least \$200 paid directly to an "eligible retirement  
 12 plan" specified by the "distributee" in a "direct rollover."

13                   (2) For purposes of this Section 5.9(a), the  
 14 following definitions shall apply:

15                   (i) An "eligible rollover distribution" is any  
 16 distribution of all or any portion of the balance to the  
 17 credit of the "distributee," except that an "eligible rollover  
 18 distribution" does not include: any distribution that is one  
 19 of a series of substantially equal periodic payments (not less  
 20 frequently than annually) made for the life (or life  
 21 expectancy) of the "distributee" or the joint lives (or joint  
 22 life expectancies) of the "distributee" and the  
 23 "distributee's" "Designated Beneficiary," or for a specified  
 24 period of ten years or more; any distribution to the extent  
 25 such distribution is required under IRC Section 401(a) (9); the

1 portion of any other distribution that is not includible in  
2 gross income (determined without regard to the exclusion for  
3 net unrealized appreciation with respect to employer  
4 securities); any hardship distribution; and any other  
5 distribution that is reasonably expected to total less than  
6 \$200 during a year.

7 Notwithstanding the above, with respect to  
8 distributions made after December 31, 2001, a portion of a  
9 distribution shall not fail to be an "eligible rollover  
10 distribution" merely because the portion consists of aftertax  
11 Employee contributions which are not includible in gross  
12 income. However, such portion may be transferred only to an  
13 individual retirement account or annuity described in IRC  
14 Section 408(a) or (b), or to a qualified trust described in  
15 IRC Section 401(a) or annuity contract described in IRC  
16 Section 403(a) that agrees to separately account for amounts  
17 so transferred, including separately accounting for the  
18 portion of such distribution which is includible in gross  
19 income and the portion of such distribution which is not so  
20 includible.

21 (ii) With respect to distributions made after  
22 December 31, 2001, an "eligible retirement plan" is an  
23 individual retirement account described in IRC Section 408(a),  
24 an individual retirement annuity described in IRC  
25 Section 408(b), (other than an endowment contract), a

1 qualified trust described in IRC Section 401(a) which is  
2 exempt from tax under IRC Section 501(a) that accepts the  
3 distributee's eligible rollover distribution, an annuity plan  
4 described in IRC Section 403(a), an eligible deferred  
5 compensation plan described in IRC Section 457(b) which is  
6 maintained by an eligible employer described in IRC  
7 Section 457(e) (1) (A), and an annuity contract described in IRC  
8 Section 403(b), that accepts the "distributee's" "eligible  
9 rollover distribution."

10 (iii) A "distributee" includes an Employee or former  
11 Employee. In addition, the Employee's or former Employee's  
12 surviving spouse and the Employee's or former Employee's  
13 spouse or former spouse who is the alternate payee under a  
14 qualified domestic relations order, as defined in IRC  
15 Section 414(p), are "distributees" with regard to the interest  
16 of the spouse or former spouse.

17 (iv) A "direct rollover" is a payment by the Plan to  
18 the "eligible retirement plan" specified by the "distributee."

19 (b) Direct Rollovers by Non-Spouse Beneficiaries.

20 (1) Notwithstanding the direct rollover provisions  
21 in Section 5.9(a), for distributions after December 31, 2009,  
22 in accordance with IRC Section 402(c) (11), a non-spouse  
23 beneficiary who is a designated beneficiary (as defined in IRC  
24 Section 401(a) (9) (E) and the Regulations thereunder), may, by  
25 means of a direct trustee-to-trustee transfer, roll over all

1 or any portion of an eligible rollover distribution (as  
2 defined in IRC Section 401(a)(31)) to an individual retirement  
3 plan the designated beneficiary establishes for purposes of  
4 receiving the distribution. If a non-spouse beneficiary  
5 receives a distribution from the Plan, the distribution is not  
6 eligible for a 60-day (non-direct) rollover.

7 (2) If the Member's named beneficiary is a trust,  
8 the Plan may make a direct trustee-to-trustee transfer to an  
9 individual retirement plan on behalf of the trust, provided  
10 the trust satisfies the requirements to be a designated  
11 beneficiary within the meaning of IRC Section 401(a)(9)(E).

12 (3) A non-spouse beneficiary may not roll over an  
13 amount which is a required minimum distribution, as determined  
14 under applicable Regulations and other Internal Revenue  
15 Service guidance. If the Member dies before the Member's  
16 required beginning date and the non-spouse beneficiary rolls  
17 over to an individual retirement plan the maximum amount  
18 eligible for rollover, the non-spouse beneficiary may elect to  
19 use either the 5-year rule or the life expectancy rule,  
20 pursuant to Regulation Section 1.401(a)(9)-3, A-4(c), in  
21 determining the required minimum distributions from the  
22 individual retirement plan that receives the non-spouse  
23 beneficiary's distribution.

24 (c) Rollover to Roth IRA. For distributions made  
25 after December 31, 2007, in accordance with IRC Section 408A,

1 a Member may elect to roll over directly an eligible rollover  
2 distribution to a Roth IRA (as defined in IRC Section  
3 408A(b)).

4 5.10 PARTICIPANT DISTRIBUTION NOTICE

5 (a) The Pension Board shall during the thirty (30)  
6 to one-hundred and eight (180) day period before making an  
7 "eligible rollover distribution," provide a written  
8 explanation to the recipient:

9 (1) of the provisions under which the recipient may  
10 have the distribution directly transferred to an eligible  
11 retirement plan and that the automatic distribution by direct  
12 transfer applies to certain distributions in accordance with  
13 IRC Section 401(a)(31)(B);

14 (2) of the provision which requires the withholding  
15 of tax on the distribution if it is not directly transferred  
16 to an eligible retirement plan;

17 (3) of the provisions under which the distribution  
18 will not be subject to tax if transferred to an eligible  
19 retirement plan within sixty (60) days after the date on which  
20 the recipient received the distribution;

21 (4) if applicable, of the provisions of IRC Sections  
22 402(d) and 402(e);

23 (5) of the provisions under which distributions from  
24 the eligible retirement plan receiving the distribution may be  
25 subject to restrictions and tax consequences which are

1 different from those applicable to distributions from the plan  
2 making such distribution; and

3 (6) a description of the consequences of failing to  
4 defer receipt of a distribution.

5 (b) For purposes of this Section 5.10(b), the terms  
6 "eligible rollover distribution" and "eligible retirement  
7 plan" shall have the following meanings:

8 (1) The term "eligible rollover distribution" has  
9 the same meaning as when used in IRC Section 402(c), IRC  
10 Section 403(a)(4), IRC Section 403(b)(8)(A), or IRC Section  
11 457(e)(16)(A). Such term shall include any distribution to a  
12 designated beneficiary which would be treated as an eligible  
13 rollover distribution by reason of IRC Section 402(c)(11), or  
14 IRC Section 403(a)(4)(B), IRC Section 403(b)(8)(B), or IRC  
15 Section 457(e)(16)(B), if the requirements of IRC Section  
16 402(c)(11) were satisfied.

17 (2) The term "eligible retirement plan" has the  
18 meaning given such term by IRC Section 402(c)(8)(B).

19 ARTICLE VI

20 IRC SECTION 415 LIMITATIONS

21 6.1 ANNUAL BENEFIT AND FINAL REGULATIONS UNDER IRC  
22 SECTION 415

23 (a) Annual Benefit. For purposes of this Article,  
24 "annual benefit" means the benefit payable annually under the  
25 terms of the Plan (exclusive of any benefit not required to be

1 considered for purposes of applying the limitations of IRC  
2 Section 415 to the Plan) payable in the form of a straight  
3 life annuity with no ancillary benefits. If the benefit is  
4 payable in any other form, the annual benefit shall be  
5 adjusted to the equivalent of a straight life annuity pursuant  
6 to Section 6.3(c).

7 (b) Final Regulations Under IRC Section 415.

8 Notwithstanding anything in this Article to the contrary, the  
9 following provisions apply beginning on or after January 1,  
10 1976, except as otherwise provided in this Article.

11 (1) Incorporation by Reference. The limitations,  
12 adjustments, and other requirements prescribed in the Plan  
13 shall comply with the provisions of IRC Section 415 and the  
14 Final Regulations promulgated thereunder (including but not  
15 limited to limitations relating to both defined benefit and  
16 defined contribution plan limits), the terms of which are  
17 specifically incorporated herein by reference for limitation  
18 years beginning after December 31, 2001, except where an  
19 earlier effective date is otherwise provided in the Final  
20 Regulations or in this Article. However, where the final  
21 Regulations permit the Plan to specify an alternative option  
22 to a default option set forth in the Regulations, and the  
23 alternative option was available under statutory provisions,  
24 Regulations, and other published guidance relating to IRC  
25 Section 415 as in effect prior to April 5, 2007, and the Plan

1 provisions in effect as of April 5, 2007, incorporated the  
2 alternative option, said alternative option shall remain in  
3 effect as a Plan provision for limitation years beginning on  
4 or after July 1, 2007, unless another permissible option is  
5 selected herein.

6 (2) Grandfather Provision. The application of the  
7 provisions of this Article shall not cause the maximum annual  
8 benefit for any Member to be less than the Member's accrued  
9 benefit under all the defined benefit plans of the County or a  
10 predecessor employer as of the end of the last limitation year  
11 beginning before July 1, 2007, under provisions of the plans  
12 that were both adopted and in effect before April 5, 2007. The  
13 preceding sentence applies only if the provisions of such  
14 defined benefit plans that were both adopted and in effect  
15 before April 5, 2007, satisfied the applicable requirements of  
16 statutory provisions, Regulations, and other published  
17 guidance relating to IRC Section 415 in effect as of the end  
18 of the last limitation year beginning before July 1, 2007, as  
19 described in Regulation Section 1.415(a)-1(g)(4).

20 (3) Adjustment to Dollar Limit After Date of  
21 Severance. In the case of a Member who has had a severance  
22 from employment with the County, the defined benefit dollar  
23 limitation applicable to the Member in any limitation year  
24 beginning after the date of severance shall automatically be  
25 adjusted under IRC Section 415(d).



1           (c) Treatment of Qualified Governmental Excess  
2 Benefit Arrangements. Pursuant to IRC Section 415(m), in  
3 determining whether the Plan meets the requirements of this  
4 Section 6.1, the annual benefit does not include benefits  
5 provided under any qualified governmental excess benefit  
6 arrangement as defined in IRC Section 415(m) (3).

7           6.2 MAXIMUM ANNUAL BENEFIT

8           (a) Notwithstanding the foregoing and subject to the  
9 exceptions and adjustments below, effective for limitation  
10 years ending after December 31, 2001, the annual benefit  
11 otherwise payable to a Member under the Plan at any time shall  
12 not exceed the maximum annual benefit, and if the benefit a  
13 Member would otherwise accrue in a limitation year would  
14 produce an annual benefit in excess of the maximum annual  
15 benefit, the benefit shall be limited (or the rate of accrual  
16 reduced) to a benefit that does not exceed the maximum annual  
17 benefit. The maximum annual benefit payable to a Member under  
18 the Plan in any limitation year shall equal the "defined  
19 benefit dollar limitation." The "defined benefit dollar  
20 limitation" is \$160,000, as adjusted, effective January 1 of  
21 each year, under IRC Section 415(d) in such manner as the  
22 Secretary shall prescribe, and payable in the form of a  
23 straight life annuity. Such dollar limitation as adjusted  
24 under IRC Section 415(d) will apply to limitation years ending

1 with or within the calendar year for which the adjustment  
2 applies.

3 (b) For purposes of applying the limitations of IRC  
4 Section 415, the "limitation year" shall be the calendar year.  
5 All qualified plans maintained by the County must use the same  
6 limitation year. If the limitation year is amended to a  
7 different twelve (12) consecutive month period, the new  
8 limitation year must begin on a date within the limitation  
9 year in which the amendment is made.

10 (c) Notwithstanding anything in this Article to the  
11 contrary, if the Plan was in existence on May 6, 1986, and had  
12 complied at all times with the requirements of IRC Section  
13 415, the maximum annual benefit for any individual who is a  
14 Member as of the first day of the limitation year beginning  
15 after December 31, 1986, shall not be less than the "current  
16 accrued benefit." "Current accrued benefit" shall mean a  
17 Member's accrued benefit under the Plan, determined as if the  
18 Member had separated from service as of the close of the last  
19 limitation year beginning before January 1, 1987, when  
20 expressed as an annual benefit within the meaning of IRC  
21 Section 415(b) (2). In determining the amount of a Member's  
22 current accrued benefit, the following shall be disregarded:  
23 (1) any change in the terms and conditions of the Plan after  
24 May 5, 1986; and (2) any cost of living adjustment occurring  
25 after May 5, 1986.

1           (d) For the purpose of this Article, all qualified  
2 defined benefit plans (whether terminated or not) ever  
3 maintained by the County shall be treated as one defined  
4 benefit plan.

5           If a Member is, or has ever been, a Member in more  
6 than one defined benefit plan maintained by the County, the  
7 sum of the Member's annual benefits from all such plans may  
8 not exceed the maximum annual benefit of this Section 6.2.  
9 Where the Member's County provided benefits under all defined  
10 benefit plans ever maintained by the County (determined as of  
11 the same age) would exceed the maximum annual benefit  
12 applicable at that age, the County will reduce the rate of  
13 accrual in the Plan to the extent necessary so that the total  
14 annual benefit payable at any time under such plans will not  
15 exceed the maximum annual benefit.

16           (e) For the purpose of this Article, if the County  
17 is a member of a controlled group of corporations, trades or  
18 businesses under common control (as defined by IRC Section  
19 1563(a) or IRC Section 414(b) and (c) as modified by IRC  
20 Section 415(h)) or is a member of an affiliated service group  
21 (as defined by IRC Section 414(m)), all employees of such  
22 employers shall be considered to be employed by a single  
23 employer.

24           (f) Notwithstanding anything contained in this  
25 Article to the contrary, the limitations, adjustments, and

1 other requirements prescribed in this Article shall at all  
2 times comply with the provisions of IRC Section 415 and the  
3 Regulations thereunder.

4 (g) Affect on Members of EGTRRA Increase in IRC  
5 Section 415(b) Limitations. Effective for limitation years  
6 ending after December 31, 2001, benefit increases resulting  
7 from the increase in the limitations of IRC Section 415(b) on  
8 account of the Economic Growth and Tax Relief Reconciliation  
9 Act of 2001 ("EGTRRA") will be provided to all current and  
10 former Members (with benefits limited by IRC Section 415(b))  
11 who have an accrued benefit under the Plan immediately prior  
12 to the effective date of this Article (other than an accrued  
13 benefit resulting from a benefit increase solely as a result  
14 of the increases in limitations under IRC Section 415(b)).

#### 15 6.3 ADJUSTMENTS TO ANNUAL BENEFIT AND LIMITATIONS

16 (a) Adjustment if Fewer than Ten (10) Years.  
17 Effective for limitation years ending after December 31, 2001,  
18 if a Member has fewer than ten (10) years of participation in  
19 the Plan, then the defined benefit dollar limitation of  
20 Section 6.2(a) shall be multiplied by a fraction, (1) the  
21 numerator of which is the number of years (or part thereof) of  
22 participation in the Plan, and (2) the denominator of which is  
23 ten (10). However, in no event shall such fraction be less  
24 than 1/10th. Notwithstanding the foregoing, no adjustment  
25 shall be made to the defined benefit dollar limitation for a

1 distribution on account of a Member becoming disabled by  
2 reason of personal injuries or sickness, or as a result of the  
3 death of a Member.

4 For purposes of this Section 6.3(a), a "year of  
5 participation" means each accrual computation period for which  
6 the following conditions are met: (1) the Member is credited  
7 with a period of service for benefit accrual purposes,  
8 required under the terms of the Plan in order to accrue a  
9 benefit for the accrual computation period, and (2) the Member  
10 is included as a Member under the eligibility provisions of  
11 the Plan for at least one day of the accrual computation  
12 period. If these two conditions are met, the portion of a year  
13 of participation credited to the Member shall equal the amount  
14 of benefit accrual service credited to the Member for such  
15 accrual computation period. A Member who is permanently and  
16 totally disabled within the meaning of IRC  
17 Section 415(c) (3) (C) (i) for an accrual computation period  
18 shall receive a year of participation with respect to the  
19 period. In no event will more than one year of participation  
20 be credited for any 12-month period.

21 (b) Adjustment of Defined Benefit Dollar Limitation  
22 for Commencement Before Age 62. Effective for benefits  
23 commencing in limitation years ending after December 31, 2001,  
24 the defined benefit dollar limitation shall be adjusted if the

1 Annuity Starting Date of the Member's benefit is before age  
2 62.

3 (1) Limitation Years Beginning Before July 1, 2007.

4 If the Annuity Starting Date for the Member's benefit is prior  
5 to age 62 and occurs in a limitation year beginning before  
6 July 1, 2007, the defined benefit dollar limitation for the  
7 Member's Annuity Starting Date is the annual amount of a  
8 benefit payable in the form of a straight life annuity  
9 commencing at the Member's Annuity Starting Date that is the  
10 actuarial equivalent of the defined benefit dollar limitation  
11 with actuarial equivalence computed using whichever of the  
12 following produces the smaller annual amount: (i) the  
13 applicable interest rate and applicable mortality table (or  
14 other tabular factor) as defined in IRC Section 417(e) (3); or  
15 (ii) a 5% interest rate assumption and the applicable  
16 mortality table as defined in IRC Section 417(e) (3).

17 (2) Limitation Years Beginning On or After July 1,  
18 2007.

19 (i) Plan Does Not Have Immediately Commencing  
20 Straight Life Annuity Payable at Both Age 62 and the Age of  
21 Benefit Commencement. If the Annuity Starting Date for the  
22 Member's benefit is prior to age 62 and occurs in a limitation  
23 year beginning on or after July 1, 2007, and the Plan does not  
24 have an immediately commencing straight life annuity payable  
25 at both age 62 and the age of benefit commencement, the

1 defined benefit dollar limitation for the Member's Annuity  
2 Starting Date is the annual amount of a benefit payable in the  
3 form of a straight life annuity commencing at the Member's  
4 Annuity Starting Date that is the actuarial equivalent of the  
5 defined benefit dollar limitation with actuarial equivalence  
6 computed using a 5% interest rate assumption and the  
7 applicable mortality table under Regulation Section  
8 1.417(e)-1(d)(2) (or the applicable mortality table as  
9 required by law) that is effective for that Annuity Starting  
10 Date (and expressing the Member's age based on completed  
11 calendar months as of the Annuity Starting Date).

12 (ii) Plan Has Immediately Commencing Straight Life  
13 Annuity Payable at Both Age 62 and the Age of Benefit  
14 Commencement. If the Annuity Starting Date for the Member's  
15 benefit is prior to age 62 and occurs in a limitation year  
16 beginning on or after July 1, 2007, and the Plan has an  
17 immediately commencing straight life annuity payable at both  
18 age 62 and the age of benefit commencement, the defined  
19 benefit dollar limitation for the Member's Annuity Starting  
20 Date is the lesser of the limitation determined under Section  
21 6.3(b)(2)(i) above and the defined benefit dollar limitation  
22 multiplied by the ratio of the annual amount of the  
23 immediately commencing straight life annuity under the Plan at  
24 the Member's Annuity Starting Date to the annual amount of the  
25 immediately commencing straight life annuity under the Plan at

1 age 62, both determined without applying the limitations of  
2 this Article.

3 (3) Mortality Adjustments. Notwithstanding the other  
4 requirements of this Section 6.3(b), no adjustment shall be  
5 made to the defined benefit dollar limitation to reflect the  
6 probability of a Member's death between the Annuity Starting  
7 Date and age 62 if benefits are not forfeited upon the death  
8 of the Member prior to the Annuity Starting Date. To the  
9 extent benefits are forfeited upon death before the Annuity  
10 Starting Date, such an adjustment shall be made. For this  
11 purpose, no forfeiture shall be treated as occurring upon the  
12 Member's death if the Plan does not charge Members for  
13 providing a qualified preretirement survivor annuity, as  
14 defined in IRC Section 417(c), upon the Member's death.

15 (4) Exception for Certain Members to the Adjustment  
16 of Defined Benefit Dollar Limitation for Commencement Before  
17 Age 62.

18 (i) Qualified Participants. Pursuant to IRC Section  
19 415(b)(2)(G) and (H), no age adjustment is made to the defined  
20 benefit dollar limitation for commencement before age 62 for  
21 any "qualified participant." For this purpose, a "qualified  
22 participant" is a participant in a defined benefit plan that  
23 is maintained by a state or any political subdivision of a  
24 state with respect to whom the service taken into account in  
25 determining the amount of the benefit under the defined



1 benefit plan includes at least fifteen (15) years of service  
2 of the participant as a full-time employee of any police  
3 department or fire department that is organized and operated  
4 by the state or political subdivision maintaining such defined  
5 benefit plan to provide police protection, firefighting  
6 services, or emergency medical services for any area within  
7 the jurisdiction of such state or political subdivision, or as  
8 a member of the Armed Forces of the United States.

9 (ii) Survivor and Disability Benefits. Pursuant to  
10 IRC Section 415(b)(2)(I), no age adjustment is made to the  
11 defined benefit dollar limitation for commencement before age  
12 62 for a distribution from the Plan on account of a Member  
13 becoming disabled by reason of personal injuries or sickness,  
14 or as a result of the death of a Member.

15 (c) Actuarial Equivalence of Forms of Benefit Other  
16 Than a Straight Life Annuity. Effective for distributions in  
17 Plan Years beginning after December 31, 2003, the  
18 determination of actuarial equivalence of forms of benefit  
19 other than a straight life annuity shall be made in accordance  
20 with (1) or (2) below.

21 (1) Benefit Forms Not Subject to IRC Section  
22 417(e)(3). The straight life annuity that is actuarially  
23 equivalent to the Member's form of benefit shall be determined  
24 under this Section 6.3(c)(1) if the form of the Member's  
25 benefit is either (a) a nondecreasing annuity (other than a

1 straight life annuity) payable for a period of not less than  
2 the life of the Member (or, in the case of a qualified  
3 pre-retirement survivor annuity, the life of the surviving  
4 spouse), or (b) an annuity that decreases during the life of  
5 the Member merely because of (A) the death of the survivor  
6 annuitant (but only if the reduction is not below 50% of the  
7 benefit payable before the death of the survivor annuitant),  
8 or (B) the cessation or reduction of Social Security  
9 supplements or qualified disability payments (as defined in  
10 IRC Section 401(a)(11)).

11 (i) Limitation Years Beginning Before July 1, 2007.  
12 For limitation years beginning before July 1, 2007, the  
13 actuarially equivalent straight life annuity is equal to the  
14 annual amount of the straight life annuity commencing at the  
15 same Annuity Starting Date that has the same actuarial present  
16 value as the Member's form of benefit computed using whichever  
17 of the following produces the greater annual amount:

18 (A) the applicable interest rate and applicable  
19 mortality table (or other tabular factor) as defined in IRC  
20 Section 417(e)(3) for adjusting benefits in the same form; or

21 (B) 5% interest rate assumption and the applicable  
22 mortality table as defined in IRC Section 417(e)(3).

23 (ii) Limitation Years Beginning On or After July 1,  
24 2007. For limitation years beginning on or after July 1, 2007,

1 the actuarially equivalent straight life annuity is equal to  
 2 the greater of:

3 (A) the annual amount of the straight life annuity  
 4 (if any) payable to the Member under the Plan commencing at  
 5 the same Annuity Starting Date as the Member's form of  
 6 benefit; or

7 (B) the annual amount of the straight life annuity  
 8 commencing at the same Annuity Starting Date that has the same  
 9 actuarial present value as the Member's form of benefit,  
 10 computed using a 5% interest rate assumption and the  
 11 applicable mortality table as described in Regulation Section  
 12 1.417(e)-1(d)(2) (or the applicable mortality table as  
 13 required by law) for that Annuity Starting Date.

14 (2) Benefit Forms Subject to IRC Section 417(e)(3).  
 15 The straight life annuity that is actuarially equivalent to  
 16 the Member's form of benefit shall be determined under this  
 17 Section 6.3(c)(2) if the form of the Member's benefit is other  
 18 than a benefit form described in Section 6.3(c)(1) above. In  
 19 this case, the actuarially equivalent straight life annuity  
 20 shall be determined as follows:

21 (i) Annuity Starting Date in Plan Years Beginning  
 22 After 2005. If the Annuity Starting Date of the Member's form  
 23 of benefit is in a Plan Year beginning after 2005, the  
 24 actuarially equivalent straight life annuity is equal to the  
 25 greatest of:

1           (A) the annual amount of the straight life annuity  
2 commencing at the same Annuity Starting Date that has the same  
3 actuarial present value as the Member's form of benefit,  
4 computed using the Assumptions (as defined in Section 1.3);

5           (B) the annual amount of the straight life annuity  
6 commencing at the same Annuity Starting Date that has the same  
7 actuarial present value as the Member's form of benefit,  
8 computed using a 5.5% interest rate assumption and the  
9 applicable mortality table for the distribution under  
10 Regulation Section 1.417(e)-1(d)(2) (or the applicable  
11 mortality table as required by law); or

12           (C) the annual amount of the straight life annuity  
13 commencing at the same Annuity Starting Date that has the same  
14 actuarial present value as the Member's form of benefit,  
15 computed for the distribution under Regulation Section  
16 1.417(e)-1(d)(3) (or the applicable interest rate as required  
17 by law) and the applicable mortality table for the  
18 distribution under Regulation Section 1.417(e)-1(d)(2) (or the  
19 applicable mortality table as required by law), divided by  
20 1.05.

21           (ii) Annuity Starting Date in Plan Years Beginning  
22 in 2004 or 2005. If the Annuity Starting Date of the Member's  
23 form of benefit is in a Plan Year beginning in 2004 or 2005,  
24 the actuarially equivalent straight life annuity is equal to  
25 the annual amount of the straight life annuity commencing at

1 the same Annuity Starting Date that has the same actuarial  
2 present value as the Member's form of benefit, computed using  
3 whichever of the following produces the greater annual amount:

4 (A) the applicable interest rate and applicable  
5 mortality table (or other tabular factor) as defined in IRC  
6 Section 417(e) (3) for adjusting benefits in the same form; or

7 (B) a 5.5% interest rate assumption and the  
8 applicable mortality table for the distribution under  
9 Regulation Section 1.417(e)-1(d) (2) (or the applicable  
10 mortality table as required by law).

11 (d) For purposes of Sections 6.1 and 6.3(b), no  
12 adjustments under IRC Section 415(d) shall be taken into  
13 account before the limitation year for which such adjustment  
14 first takes effect.

15 (e) For purposes of Section 6.1, no actuarial  
16 adjustment to the benefit is required for (1) the value of a  
17 qualified joint and survivor annuity, (2) ancillary benefits  
18 that are not directly related to retirement benefits (such as  
19 a qualified disability benefit, preretirement death benefits,  
20 and postretirement medical benefits), and (3) the value of  
21 postretirement cost-of-living increases made in accordance  
22 with IRC Section 415(d) and Regulation Section  
23 1.415-3(c) (2) (iii). The annual benefit does not include any  
24 benefits attributable to employee contributions or rollover

1 contributions, or the assets transferred from a qualified plan  
2 that was not maintained by the County.

3 6.4 ANNUAL BENEFIT NOT IN EXCESS OF \$10,000

4 The Plan may pay an annual benefit to any Member in  
5 excess of the Member's maximum annual benefit if the annual  
6 benefit derived from Employer Contributions under the Plan and  
7 all other defined benefit plans maintained by the County does  
8 not in the aggregate exceed \$10,000 for the limitation year or  
9 for any prior limitation year and the County has not at any  
10 time maintained a defined contribution plan, a welfare benefit  
11 fund under which amounts attributable to post retirement  
12 medical benefits are allocated to separate accounts of key  
13 employees (as defined in IRC Section 419(A)(d)(3)), or an  
14 individual medical account in which the Member participated.  
15 For purposes of this Section 6.4, if the Plan provides for  
16 voluntary or mandatory employee contributions, such  
17 contributions will not be considered a separate defined  
18 contribution plan maintained by the County.

19 However, if a Member has fewer than ten (10) years  
20 of service with the County, then the \$10,000 threshold of the  
21 previous paragraph shall be multiplied by a fraction, (1) the  
22 numerator of which is the number of years (or part thereof) of  
23 service with the County and (2) the denominator of which is  
24 ten (10). However, in no event shall such fraction be less  
25 than 1/10th.

1                   6.5 PURCHASE OF PERMISSIVE SERVICE CREDIT

2                   (a) In General. If a Member makes one (1) or more  
3 contributions to the Plan to purchase permissive service  
4 credit under the Plan, the requirements of IRC Section 415  
5 shall be treated as met with respect to these contributions  
6 if:

7                   (1) the requirements of IRC Section 415(b) are met,  
8 determined by treating the accrued benefit derived from all  
9 such contributions as an annual benefit for purposes of IRC  
10 Section 415(b) (provided, however, the Plan shall not fail to  
11 meet the reduced limit under IRC Section 415(b) (2) (C) solely  
12 by reason of this Section 6.5); or

13                   (2) the requirements of IRC Section 415(c) are met,  
14 determined by treating all such contributions as annual  
15 additions for purposes of IRC Section 415(c) (provided,  
16 however, the Plan shall not fail to meet the percentage  
17 limitation under IRC Section 415(c) (1) (B) solely by reason of  
18 this Section 6.5).

19                   (b) Limitation on Nonqualified Service Credit. The  
20 Plan shall fail to meet the requirements of this Section 6.5  
21 if:

22                   (1) more than five (5) years of nonqualified service  
23 credit are taken into account; or

1           (2) any nonqualified service credit is taken into  
2 account before the Member has at least five (5) years of  
3 participation under the Plan.

4           (c) Definitions.

5           (1) Permissive Service Credit. For purposes of this  
6 Section, "permissive service credit" means service credit

7           (i) recognized by the Plan for purposes of  
8 calculating a Member's benefit under the Plan;

9           (ii) which such Member has not otherwise received  
10 under the Plan; and

11           (iii) which such Member may receive only by making a  
12 voluntary additional contribution, in an amount determined  
13 under the Plan, which does not exceed the amount necessary to  
14 fund the benefit attributable to such service credit.

15           Permissive service credit may include service credit  
16 for periods for which there is no performance of service, and,  
17 notwithstanding clause (ii) above, may include service  
18 credited in order to provide an increased benefit for service  
19 credit which a Member is receiving under the Plan.

20           (2) Nonqualified Service Credit. For purposes of  
21 this Section 6.5, "nonqualified service credit" means  
22 permissive service credit other than that allowed with respect  
23 to

24           (i) service (including parental, medical,  
25 sabbatical, and similar leave) as an employee of the



1 Government of the United States, any State or political  
 2 subdivision thereof, or any agency or instrumentality of any  
 3 of the foregoing (other than military service or service for  
 4 credit which was obtained as a result of a repayment described  
 5 in IRC Section 415(k)(3));

6 (ii) service (including parental, medical,  
 7 sabbatical, and similar leave) as an employee (other than as  
 8 an employee described in clause (i) above) of an educational  
 9 organization described in IRC Section 170(b)(1)(A)(ii) which  
 10 is a public, private, or sectarian school which provides  
 11 elementary or secondary education (through grade 12), or a  
 12 comparable level of education, as determined under state law;

13 (iii) service as an employee of an association of  
 14 employees who are described in clause (i) above; or

15 (iv) military service (other than Qualified Military  
 16 Service) recognized by the Plan.

17 In the case of service described in clauses (i),  
 18 (ii), or (iii) above, such service will be nonqualified  
 19 service if recognition of such service would cause a Member to  
 20 receive a retirement benefit for the same service under more  
 21 than one plan.

22 (d) Special Rules for Trustee-to-Trustee Transfers.  
 23 In the case of a trustee-to-trustee transfer to which IRC  
 24 Section 403(b)(13)(A) or 457(e)(17)(A) applies (without regard

1 to whether the transfer is made between plans maintained by  
 2 the same employer)

3 (1) the limitations of Section 6.5(b) above shall  
 4 not apply in determining whether the transfer is for the  
 5 purchase of permissive service credit; and

6 (2) the distribution rules applicable to the defined  
 7 benefit governmental plan to which any amounts are so  
 8 transferred shall apply to such amounts and any benefits  
 9 attributable to such amounts.

10 (e) Effective Date. This Section 6.5 shall be  
 11 effective with respect to permissive service credit  
 12 contributions made in years beginning after December 31, 1997.  
 13 Notwithstanding the foregoing, in the case of an "eligible  
 14 participant," the limitations of IRC Section 415(c)(1) shall  
 15 not be applied to reduce the amount of permissive service  
 16 credit which may be purchased to an amount which is less than  
 17 the amount which was allowed to be purchased under the terms  
 18 of the Plan as in effect on August 5, 1997. For purposes of  
 19 this Section 6.5(e), an "eligible participant" is an  
 20 individual who became a Member in the Plan before January 1,  
 21 1998.

22 6.6 ANNUAL BENEFIT ATTRIBUTABLE TO MANDATORY  
 23 EMPLOYEE CONTRIBUTIONS

24 (a) Effective for limitation years beginning on and  
 25 after December 31, 2001, in the case of "mandatory employee

1 contributions" as defined in IRC Section 411(c)(2)(C) and  
2 Regulation Section 1.411(c)-1(c)(4) (or contributions that  
3 would be mandatory employee contributions if IRC Section 411  
4 applied to the Plan), the annual benefit attributable to such  
5 mandatory employee contributions is determined by applying the  
6 factors applicable to mandatory employee contributions as  
7 described in IRC Section 411(c)(2)(B) and (C) and Regulations  
8 promulgated under IRC Section 411 to those contributions to  
9 determine the amount of a straight life annuity commencing at  
10 the Annuity Starting Date, regardless of whether the  
11 requirements of IRC Sections 411 and 417 apply.

12 (b) For purposes of applying such factors to the  
13 Plan, the applicable effective date of IRC Section 411(a)(2)  
14 (which is used under Regulation Section 1.411(c)-1(c)(3) to  
15 determine the beginning date from which statutorily specified  
16 interest must be credited to mandatory employee contributions)  
17 must be determined as if IRC Section 411 applied to the Plan,  
18 and in determining the annual benefit that is actuarially  
19 equivalent to these accumulated contributions, the Plan must  
20 determine the interest rate that would have been required  
21 under IRC Section 417(e)(3) as if IRC Section 417 applied to  
22 the Plan.

### 23 6.7 QUALIFIED SECTION 415(M) PLAN

24 In order to yield the maximum benefit specified  
25 under this Act, without regard to the IRC Section 415

1 limitations, a qualified plan under IRC Section 415(m) shall  
2 be established by the Pension Board in order to provide any  
3 additional benefit needed to, in the aggregate, yield such  
4 maximum benefit. Any IRC 415(m) plan established by the  
5 Commission or Pension Board prior to the effective date of  
6 this Act is hereby ratified, validated and confirmed. The  
7 Pension Board shall be authorized to establish, modify or  
8 replace any IRC 415(m) plan, or other plan as may hereinafter  
9 be authorized by federal law, in order to provide any  
10 additional benefit needed to, in the aggregate, yield such  
11 maximum benefit.

## 12 ARTICLE VII

### 13 AMENDMENTS AND BENEFIT ENHANCEMENTS

#### 14 7.1 AMENDMENTS

15 (a) The Pension Board shall have the right at any  
16 time to amend the Plan, subject to the limitations of this  
17 Section 7.1. Any such amendment must be consistent with the  
18 Act, any other legislation relating to the System, or  
19 consistent with other authority granted to the Pension Board.  
20 Additionally, in the event that the Alabama Legislature amends  
21 the Act or makes other statutory changes that impact the terms  
22 of the Plan, the Pension Board shall cause the Plan to be  
23 amended as necessary to reflect such legislation. The Pension  
24 Board, and each of its individual members, when acting in its  
25 or their official capacity, shall be immune from civil

1 liability against the claims of any individual, Member or  
2 other entity of any nature whatsoever arising out of the  
3 Pension Board's or its members' administration of the Plan or  
4 related to its decisions or actions, which decisions or  
5 actions were made in good faith, without malice, and  
6 predicated upon information that was then available to the  
7 Pension Board.

8 (b) As determined by the Pension Board or by  
9 legislative act, any change in the "pension rate" (as  
10 described below) may apply to all pensions payable under the  
11 Plan, including pensions granted prior to the effective date  
12 of the change in the pension rate. This Section 7.1(b) shall  
13 apply whether such change results in the pension benefit being  
14 increased or decreased. Accordingly, any increase or decrease  
15 in the pension rate may be applicable not only to persons who  
16 have not yet begun to receive their pension benefits, but also  
17 to persons who have begun receiving their pensions benefits. A  
18 change in the pension rate means any modification to the  
19 definition of Basic Average Salary or other change to the  
20 formula for determining the amount of a pension benefit.

21 (c) Any amendment which affects the rights, duties  
22 or responsibilities of the Trustee may only be made with the  
23 Trustee's written consent. Any such amendment shall become  
24 effective as provided therein upon its execution. The Trustee

1 shall not be required to execute any such amendment unless the  
2 amendment affects the duties of the Trustee hereunder.

3 (d) Except as otherwise specifically provided for  
4 herein, no amendment to the Plan shall be effective if it  
5 authorizes or permits any part of the Trust Fund (other than  
6 such part as is required to pay taxes and administration  
7 expenses) to be used for or diverted to any purpose other than  
8 for the exclusive benefit of the Members or their  
9 Beneficiaries or estates.

10 7.2 BENEFIT ENHANCEMENTS

11 Specifically, but not in limitation of the Pension  
12 Board's authority to amend the Plan as set forth in Section  
13 7.1 above, the Pension Board may amend the Plan to increase or  
14 enhance Member benefits, provided that such benefit increases  
15 or enhancements have been:

16 (a) approved by resolution of the Commission;

17 (b) certified in a written opinion by a competent  
18 actuary that the Trust Fund and the anticipated receipts and  
19 liabilities are sufficient to pay for said increase or  
20 enhancement;

21 (c) set forth in written rules and regulations  
22 adopted by the Pension Board; and

23 (d) considered at a public meeting.

1           In no event shall a Member be entitled to any  
2 benefit increase or enhancement (including any cost of living  
3 increase).

4           ARTICLE VIII

5           PLAN TERMINATION

6           8.1 TERMINATION

7           In the event that the Alabama Legislature takes  
8 appropriate action to terminate the Plan, or in the event of a  
9 partial termination of the Plan, all amounts shall be  
10 allocated in accordance with the provisions hereof and the  
11 accrued benefit, to the extent funded as of such date, of each  
12 affected Member shall become fully Vested and shall not  
13 thereafter be subject to forfeiture. However, Members who were  
14 not fully Vested at the time they received a complete  
15 distribution of their Vested benefits prior to the date of  
16 termination, shall not become entitled to any additional  
17 Vested benefits on account of Plan termination. The preceding  
18 sentence does not apply to Members affected by a partial  
19 termination by operation of law. Upon full termination of the  
20 Plan, the County shall direct the distribution of the assets  
21 in the Trust Fund to the Members. In such case, the Trustee  
22 shall distribute the assets to the remaining Members in the  
23 Plan and to retired Members in cash or through the purchase of  
24 irrevocable deferred commitments from an insurer, subject to  
25 provision for expenses of administration or liquidation. Such

1 distributions shall be allocated in such order as set forth by  
 2 the Alabama Legislature, or by the Pension Board to the extent  
 3 the Pension Board receives such authorization, to the extent  
 4 of the sufficiency of such assets, basing such allocation on  
 5 the accrued benefit for each such Member at the date of  
 6 termination of the Plan.

7 ARTICLE IX

8 MISCELLANEOUS

9 9.1 MERGER, CONSOLIDATION OR TRANSFER OF ASSETS

10 (a) This Plan can be merged or consolidated with any  
 11 other qualified plan or its assets or liabilities transferred  
 12 to any other qualified plan as determined by the Alabama  
 13 Legislature or the County.

14 (b) A Member, with the approval of the Pension  
 15 Board, may elect to transfer, in cash, amounts from his or her  
 16 account under a IRC Section 457(b) plan in accordance with  
 17 such rules and regulations as the Pension Board may establish  
 18 from time to time. Unless otherwise determined by the Pension  
 19 Board, any such amounts transferred from a IRC Section 457(b)  
 20 plan shall be treated as Employee Contributions for purposes  
 21 of the Plan.

22 9.2 MEMBER'S RIGHTS

23 The Plan shall not be deemed to constitute a  
 24 contract between the County and any Member or to be a  
 25 consideration or an inducement for the employment of any



1 Member or Employee. Nothing contained in the Plan shall be  
2 deemed to give any Member or Employee the right to be retained  
3 in the service of the County or to interfere with the right of  
4 the County to discharge any Member or Employee at any time  
5 regardless of the effect which such discharge shall have upon  
6 the Employee as a Member of this Plan. No provisions herein  
7 shall be construed to bestow upon any Member or any other  
8 person any vested right to benefits, return of Employee  
9 Contributions or any other valuable interest hereunder. No  
10 implied contract for benefits shall be held to arise  
11 hereunder, either before or after retirement.

#### 12 9.3 CONSTRUCTION OF PLAN

13 The Plan shall be construed and enforced according  
14 to the Code, the Act and the laws of the State of Alabama,  
15 other than its laws respecting choice of law. In the event of  
16 any discrepancy between the terms of the Plan or the Act and  
17 those of applicable Federal law, Federal law shall apply.

#### 18 9.4 GENDER AND NUMBER

19 Wherever any words are used herein in the masculine,  
20 feminine or neuter gender, they shall be construed as though  
21 they were also used in another gender in all cases where they  
22 would so apply, and whenever any words are used herein in the  
23 singular or plural form, they shall be construed as though  
24 they were also used in the other form in all cases where they  
25 would so apply.

## 1                   9.5 PROHIBITION AGAINST DIVERSION OF FUNDS

2                   (a) Except as provided below and otherwise  
3 specifically required by law, (i) it shall be impossible by  
4 operation of the Plan or of the Trust Agreement, by  
5 termination of either, by power of revocation or amendment, by  
6 the happening of any contingency, by collateral arrangement or  
7 by any other means, for any part of the corpus or income of  
8 any Trust Fund maintained pursuant to the Plan or any funds  
9 contributed thereto to be used for, or diverted to, purposes  
10 other than the exclusive benefit of Members, former Members,  
11 or their Beneficiaries; and (ii) no funds of the System,  
12 whether in cash, securities or otherwise, nor any income or  
13 yield thereof, shall be subject to or exacted on account of,  
14 any tax; and (iii) no retirement or disability allowance or  
15 right to return of contributions, or other benefits payable as  
16 set forth in the Plan, shall be assignable or be subject to  
17 execution, levy, attachment, garnishment or other legal  
18 process. Accordingly, the Plan will not recognize any domestic  
19 relations order attempting to provide a Member's benefits, or  
20 any portion thereof, to an alternate payee.

21                   (b) In the event that the County shall make an  
22 excessive contribution under a mistake of fact, the Pension  
23 Board, or its agent, may demand repayment of such excessive  
24 contribution, and the Trustees shall return such amount,  
25 adjusted for any income or loss in value so long as such

1 amount is returned within one (1) year of the date of the  
2 mistaken contribution. Notwithstanding the immediately  
3 preceding sentence, any such return shall be limited to an  
4 amount that, in the judgment of the Pension Board, would not  
5 cause the System to become actuarially unsound.

6 (c) In the event that the Plan makes an overpayment  
7 to a Member or Beneficiary for any reason (e.g.,  
8 miscalculation of a pension benefit or payment prior to the  
9 time that the Member or Beneficiary was entitled to payment),  
10 the Pension Board may elect to offset future pension payments  
11 until such overpayment has been recouped by the Trust Fund.  
12 However, once a distribution has been made to a Member or  
13 Beneficiary, neither shall be allowed to voluntarily elect to  
14 repay the distribution to the Plan.

15 (d) Subject to applicable law, no person shall be  
16 entitled to receive a deferred pension if his or her  
17 separation from the service from the County is due to his or  
18 her misappropriation of funds or property of the County, or to  
19 moral delinquency on his or her part.

20 (e) Subject to applicable law, if the Board finds  
21 that a Member's service is terminated by resignation or  
22 discharge, or otherwise, as a consequence of such Member's  
23 dishonesty in handling the monies or property of the County or  
24 any department thereof, the Member shall not be entitled to  
25 any retirement or disability benefit, but he or she shall upon

1 application therefor be paid a refund of the full amount of  
 2 his or her Employee Contributions, less any benefits  
 3 previously paid to him or her.

4 (f) Subject to applicable law, a Member's or  
 5 Beneficiary's benefit may be offset for obligations to the  
 6 County, the Pension Board or the Trust Fund.

7 9.6 RECEIPT AND RELEASE FOR PAYMENTS

8 Any payment to any Member, the Member's legal  
 9 representative, Beneficiary, or to any guardian or committee  
 10 appointed for such Member or Beneficiary in accordance with  
 11 the provisions of the Plan, shall, to the extent thereof, be  
 12 in full satisfaction of all claims hereunder against the  
 13 Trustee, the County, and the Pension Board each of whom may  
 14 require such Member, legal representative, Beneficiary,  
 15 guardian or committee, as a condition precedent to such  
 16 payment, to execute a receipt and release thereof in such form  
 17 as shall be determined by the Trustee or County.

18 9.7 ACTION BY THE COUNTY

19 Whenever the County under the terms of the Plan is  
 20 permitted or required to do or perform any act or matter or  
 21 thing, it shall be done and performed by a person duly  
 22 authorized by its legally constituted authority.

23 9.8 HEADINGS AND SEVERABILITY

24 The headings and subheadings of the Plan have been  
 25 inserted for convenience of reference and are to be ignored in

1 any construction of the provisions hereof. If, for any reason,  
2 any clause, sentence, subsection, or section or provision of  
3 the Plan, or the application thereof, to any person, body,  
4 situation, or circumstance is held invalid or inoperative, the  
5 remainder of the Plan and the application thereof to any other  
6 person, body, situation, or circumstance shall not be affected  
7 thereby.

#### 8 9.9 UNIFORMITY

9 All provisions of this Act shall be interpreted and  
10 applied in a uniform, nondiscriminatory manner.

11 Section 3. All non-Federal laws or parts of  
12 non-Federal laws which conflict with this Act are repealed,  
13 specifically Acts 1965, No. 497, 1965 Regular Session (Acts  
14 1965, p. 717); Acts 1967, No. 408, 1967 Regular Session (Acts  
15 1967, p. 1034); Acts 1969, No. 828, 1969 Regular Session (Acts  
16 1969, p. 1507); Acts 1969, No. 952, 1969 Regular Session (Acts  
17 1969, p. 1685); Acts 1969, No. 956, 1969 Regular Session (Acts  
18 1969, p. 1693); Acts 1971, No. 804, 1971 Regular Session (Acts  
19 1971, p. 1552); Acts 1975, No. 926, 1975 Regular Session (Acts  
20 1975, p. 1838); Acts 1977, No. 690, 1977 Regular Session (Acts  
21 1977, p. 1208); Acts 1978, No. 475, 1978 Regular Session (Acts  
22 1978, p. 513); Act 79-239, 1979 Regular Session (Acts 1979, p.  
23 365); Act 80-772, 1980 Regular Session (Acts 1980, p. 1602);  
24 Act 80-773, 1980 Regular Session (Acts 1980, p. 1606); Act  
25 81-1060, 1980 2nd Special Session (Acts 1980, p. 305); Act

1 82-87, 1982 Regular Session (Acts 1982, p. 111); Act 82-265,  
2 1982 Regular Session (Acts 1982, p. 335); Act 82-504, 1982  
3 Regular Session (Acts 1982, p. 835); Act 85-806, 1985 2nd  
4 Special Session (Acts 1985, p. 62); Act 85-807, 1985 2nd  
5 Special Session (Acts 1985, p. 64); Act 85-832, 1985 2nd  
6 Special Session (Acts 1985, p. 89); Act 86-706, 1986 1st  
7 Special Session (Acts 1986, p. 116); Act 87-746, 1987 Regular  
8 Session (Acts 1987, p. 1465); Act 89-379, 1989 Regular Session  
9 (Acts 1989, p. 730); Act 96-489, 1996 Regular Session (Acts  
10 1996, p. 620); Act 96-508, 1996 Regular Session (Acts 1996, p.  
11 645); Act 96-568, 1996 Regular Session (Acts 1996, p. 861);  
12 Act 98-580, 1998 Regular Session (Acts 1998, p. 1286); Act  
13 2003-343, 2003 Regular Session (Acts 2003, p. 867); Act  
14 2005-182, 2005 Regular Session (Acts 2005, p. 370); Act  
15 2005-195, 2005 Regular Session (Acts 2005, p. 390); Act  
16 2009-501, 2009 Regular Session (Acts 2009, p. 927); and Act  
17 2011-70, 2011 Regular Session (Acts 2011, p. 182) are  
18 repealed.

19 Section 4. This act shall become effective  
20 immediately following its passage and approval by the  
21 Governor, or its otherwise becoming law.

