

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

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9 A BILL
10 TO BE ENTITLED
11 AN ACT
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13 Relating to Jefferson County, to repeal and replace
14 the plan for The General Retirement System for Employees of
15 Jefferson County; to eliminate obsolete provisions and
16 incorporate required federal tax laws, rules, and regulations;
17 to provide for definitions, administration, eligibility,
18 contributions, amendment and valuation provisions, plan
19 termination, and certain miscellaneous provisions; and to
20 repeal certain acts.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

25 BACKGROUND

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

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

9 Assets from the Previous Retirement Systems were
10 transferred to this Plan, and the System is responsible for
11 all obligations of such Previous Retirement Systems.

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

17 Section 2. ARTICLE I

18 DEFINITIONS

19 1.1 "Act" means this Act, to be called "The General
20 Retirement System For Employees of Jefferson County Act."

21 1.2 "Active Member" is an individual that currently
22 is employed by the County and is making Employee Contributions
23 to the System.

24 1.3 "Actuarial Equivalent" means, effective July 30,
25 1984 or such other dates as set forth in Exhibit A (which is
26 maintained in the office of the Pension Board), a form of
27 benefit differing in time, period, or manner of payment from a

1 specific benefit provided under the Plan but having the same
2 value when computed using the mortality tables, the interest
3 rate and any other assumptions last adopted by the Pension
4 Board ("Assumptions"), which Assumptions shall clearly
5 preclude any discretion in the determination of the amount of
6 a Member's benefit.

7 1.4 "Actuarial Gain" is as defined in Section
8 5.7(f) (1).

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

16 1.6 "Another Pension System" (as used in Sections
17 4.3(c) and 5.5(c)) means a pension system established by or
18 under laws of the State of Alabama for public officers and
19 public employees other than the System establishing this Plan,
20 which other pension system proscribes or otherwise does not
21 allow for voluntary withdrawal by the Member from said other
22 pension system.

23 1.7 "Basic Average Salary" generally means,
24 effective as of February 1, 2010, the monthly Compensation of
25 a Member averaged over the period of thirty-six (36)
26 consecutive months of Paid Membership Time during which such
27 Member's average monthly Compensation was higher than any

1 other period of thirty-six (36) consecutive months of Paid
2 Membership Time. For example, if a Member terminated
3 employment on June 20, 2010 and his or her highest consecutive
4 thirty-six (36) month period ends of the Member's date of
5 termination of employment, then the measuring period for
6 determining Basic Average Salary would be from June 21, 2007
7 through June 20, 2010. The following rules shall apply in
8 calculating Basic Average Salary:

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

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

24 (c) Tacking of Non-Consecutive Paid Membership Time.
25 Separate periods of Paid Membership Time may be tacked and
26 considered as consecutive if the Member does not have any Paid
27 Membership Time between the periods so tacked (for example,

1 due to a leave of absence, in which case the leave of absence
2 would be ignored in calculating Basic Average Salary).

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

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

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

21 1.10 "Commission" means the Jefferson County
22 Commission.

23 1.11 "Compensation" with respect to any Member
24 means:

25 (a) the regular salary or hourly wages paid to a
26 Member, based on his or her pay grade, as established by the
27 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
26 year begins multiplied by the ratio obtained by dividing the
27 number of full months in the short calendar year by

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

8 1.12 "County" means Jefferson County, Alabama and
9 any successor which shall maintain this Plan. However,
10 references herein to employment by the County also shall
11 include employment by entities for which the County is acting
12 as payroll agent or wherein the County is being reimbursed by
13 an entity for the compensation of such entities' workers or
14 wherein the entity has "appointing authority" with respect to
15 the workers. Accordingly, such entities' workers shall be
16 covered by the Plan to the extent allowed under the Act and as
17 determined by the Pension Board in its administration of the
18 Plan.

19 1.13 "County Treasurer" means an elected official of
20 the County who is responsible for receiving and segregating
21 into the Trust Fund all assets of the System.

22 1.14 "Deferred Retirement Benefit" means a benefit
23 payable pursuant to the terms of Section 5.1(c).

24 1.15 "Designated Beneficiary" is as defined in
25 Section 5.4(d).

26 1.16 "Disability Retirement Benefit" means a benefit
27 payable pursuant to the terms of Section 5.3.

1 1.17 "Distribution Calendar Year" is as defined in
2 Section 5.7(f) (3).

3 1.18 "Early Retirement Benefit" means a benefit
4 payable pursuant to the terms of Section 5.1(b).

5 1.19 "Effective Date" is January 1, 2010, except as
6 otherwise provided.

7 1.20 "Eligible Cost-of-Living Index" is as defined
8 in Section 5.7(f) (4).

9 1.21 "Eligible Employee" means the following
10 individuals affiliated with Jefferson County, Alabama or the
11 State of Alabama:

12 (a) Any person employed by Jefferson County at a
13 wage or salary payable at regular intervals, whether or not
14 such person is subject to the Civil Service System in
15 operation in Jefferson County.

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

21 (c) Any person who served or serves as (i) the
22 Solicitor of the Juvenile Court of Jefferson County, (ii) the
23 Solicitor of the Domestic Relations Court of Jefferson County,
24 or (iii) the Solicitor of the Criminal Court of Jefferson
25 County.

26 (d) Any person who served or serves as a deputy
27 appointed by the Circuit Solicitor serving in Jefferson

1 County, to the extent that the compensation of said deputy is
2 paid by Jefferson County.

3 (e) Any person who served or serves as an employee
4 of the Cooperative Extension Service of the State of Alabama,
5 provided such person was receiving or shall be receiving,
6 monthly compensation from Jefferson County for service
7 performed by such person.

8 (f) Any person elected or appointed to a job or
9 position with or for Jefferson County, whose compensation was
10 paid or shall be paid, in whole or in part, by Jefferson
11 County while occupying such job or position.

12 (g) Any person regularly employed by the Library
13 Board of the City of Birmingham whose duties are performed
14 under the direct supervision of the Library Board, who
15 receives his or her salary, directly or indirectly, from the
16 public funds of Jefferson County, excluding members of the
17 Library Board and excluding officers of the Library Board who
18 are elected by the people.

19 (h) Any person who serves as the deputy solicitor
20 servicing Jefferson County to the extent that the compensation
21 of said deputy solicitor is paid by Jefferson County
22 ("Eligible Deputy Solicitors").

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

1 (j) Any person who serves as the Circuit Solicitor
2 servicing Jefferson County to the extent that the compensation
3 of said Circuit Solicitor is paid by Jefferson County
4 ("Eligible Circuit Solicitor").

5 (k) Any person who is an officer or an employee of a
6 hospital created by Jefferson County if such person's
7 employment status with the hospital is such that if the person
8 had the same employment status with Jefferson County, he would
9 be an Eligible Employee ("Eligible Hospital Employee").

10 An "Eligible Employee" shall not include:

11 (1) Any person who is appointed or elected as a
12 member of any board or commission of Jefferson County,
13 provided that service on such board or commission does not
14 require full-time service or the members on said board or
15 commission receive no compensation for their service except
16 for meetings attended by them.

17 (2) Any person whose employment is temporary so long
18 as his or her employment remains temporary. A person's
19 employment shall be deemed to be "temporary" within the
20 meaning of this Section 1.21 if such employment is temporary
21 as defined by the Civil Service System, or if the officers,
22 board, commission, or agency employing such person certifies
23 in writing to the Pension Board that said employment is
24 temporary.

25 (3) Any leased employee and any independent
26 contractor.

1 1.22 "Employee" means any person who is employed by
2 the County or elected or appointed to a job or position with
3 or for the County. An "Employee" shall exclude any leased
4 employee and any independent contractor as such terms are
5 defined by the Pension Board or the Civil Service System. See
6 also Section 1.12, which covers situations in which other
7 entities may be the employer of Eligible Employees.

8 1.23 "Employee Contribution" means (i) the amount a
9 Member is required to contribute to the Plan as a condition of
10 employment and participation in the Plan pursuant to
11 Section 4.3 and (ii) any amount required to be treated as an
12 Employee Contribution in accordance with Section 9.1(b)
13 (relating to transfers from IRC Section 457(b) plans).

14 1.24 "Employer Contribution" means the amount the
15 County is required to contribute to the Plan pursuant to
16 Section 2.1(b) and Section 4.1(a).

17 1.25 "Fiscal Year" means the System's accounting
18 year of twelve (12) months commencing on October 1 of each
19 year and ending the following September 30.

20 1.26 "415 Compensation" with respect to any Member
21 means such Member's wages as defined in IRC Section 3401(a)
22 and all other payments of compensation by the County (in the
23 course of the County's trade or business) for a calendar year
24 ending with or within the Plan Year for which the County is
25 required to furnish the Member a written statement under IRC
26 Sections 6041(d), 6051(a)(3) and 6052. 415 Compensation must
27 be determined without regard to any rules under IRC Section

1 3401(a) that limit the remuneration included in wages based on
2 the nature or location of the employment or the services
3 performed (such as the exception for agricultural labor in IRC
4 Section 3401(a)(2)).

5 Notwithstanding the above, the determination of 415
6 Compensation shall be made by including any elective deferral
7 (as defined in IRC Section 402(g)(3)), and any amount which is
8 contributed by the County at the election of the Member
9 pursuant to a salary reduction agreement and which is not
10 includible in the gross income of the Member by reason of IRC
11 Sections 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 403(b) or
12 457(b), and Employee contributions described in IRC Section
13 414(h)(2) that are treated as Employer Contributions. For this
14 purpose, effective January 1, 1998, amounts not includible in
15 gross income under IRC Section 125 shall be deemed to include
16 any amounts not available to a Member in cash in lieu of group
17 health coverage because the Member is unable to certify that
18 the Member has other health coverage, provided the County does
19 not request or collect information regarding the Member's
20 other health coverage as part of the enrollment process for
21 the health plan.

22 Compensation Paid After Severance from Employment.
23 With respect to limitation years beginning on and after July
24 1, 2007, 415 Compensation shall be adjusted for the following
25 types of compensation paid after a Member's severance from
26 employment with the County (or any other entity that is

1 treated as the County pursuant to IRC Section 414(b), (c), (m)
2 or (o)):

3 (a) The following amounts shall be included in 415
4 Compensation to the extent these amounts are paid by the later
5 of 2 months after severance from employment or by the end of
6 the limitation year that includes the date of such severance
7 from employment:

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

10 (i) The payment is regular compensation for services
11 during the Member's regular working hours, or compensation for
12 services outside the Member's regular working hours (such as
13 overtime or shift differential), commissions, bonuses, or
14 other similar payments; and

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

18 (2) Leave Cashouts. 415 Compensation shall include
19 leave cashouts if those amounts would have been included in
20 the definition of 415 Compensation if they were paid prior to
21 the Member's severance from employment, and the amounts are
22 payment for unused accrued bona fide sick, vacation, or other
23 leave, but only if the Member would have been able to use the
24 leave if employment had continued.

25 (3) Deferred Compensation. 415 Compensation shall
26 include deferred compensation if the compensation would have
27 been included in the definition of 415 Compensation if it had

1 been paid prior to the Member's severance from employment, and
2 the compensation is received pursuant to a nonqualified
3 unfunded deferred compensation plan, but only if the payment
4 would have been paid at the same time if the Member had
5 continued in employment with the County and only to the extent
6 that the payment is includible in the Member's gross income.

7 (b) The following amounts shall not be included in
8 415 Compensation:

9 (1) Salary Continuation Payments for Military
10 Service Participants. 415 Compensation does not include
11 payments to an individual who does not currently perform
12 services for the County by reason of Qualified Military
13 Service to the extent those payments do not exceed the amounts
14 the individual would have received if the individual had
15 continued to perform services for the County rather than
16 entering Qualified Military Service.

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

21 Administrative Delay ("the First Few Weeks") Rule.
22 With respect to limitation years beginning on and after July
23 1, 2007, 415 Compensation does not include amounts earned but
24 not paid during the limitation year solely because of the
25 timing of pay periods and pay dates.

26 Back Pay. With respect to limitation years beginning
27 on and after July 1, 2007, payments awarded by an

1 administrative agency or court or pursuant to a bona fide
2 agreement by the County to compensate a Member for lost wages
3 are 415 Compensation for the limitation year to which the back
4 pay relates, but only to the extent such payments represent
5 wages and compensation that would otherwise be included in 415
6 Compensation.

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

14 1.28 "Involuntary Deferred Retirement Benefit" means
15 a benefit payable pursuant to the terms of Section 5.1(c)(3).

16 1.29 "IRC" means the Internal Revenue Code of 1986,
17 as amended or replaced from time to time.

18 1.30 "Joint Survivorship Pension" means either a
19 Pre-Retirement Joint Survivorship Pension or a Post-Retirement
20 Joint Survivorship Pension.

21 1.31 "Life Expectancy" is as defined in Section
22 5.7(f)(5).

23 1.32 "Medical Advisor" means the Pension Board's
24 medical advisors or other appointed physicians or vocational
25 specialists.

1 1.33 "Member" means any Eligible Employee who,
2 depending on the context as used throughout this Plan,
3 participates, or participated, in the Plan.

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

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

20 1.36 "Partial Disability" means a permanent
21 disability that is less than a Total Disability determined in
22 accordance with Section 5.3(c).

23 1.37 "Pension Board" means the administrator of the
24 Plan, as more fully described in Article II.

25 1.38 "Pension Coordinator" means the individual
26 designated by the Pension Board to manage the day-to-day
27 administration of the System, including any other person who

1 works for the System that acts as a designated agent of such
2 individual. Such individual shall not be subject to the Civil
3 Service System.

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

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

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

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

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

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

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

6 1.45 "Regular Deferred Retirement Benefit" means a
7 benefit payable pursuant to the terms of Section 5.1(c)(2).

8 1.46 "Regulation" means the Income Tax Regulations
9 as promulgated by the Secretary of the Treasury or a delegate
10 of the Secretary of the Treasury, as amended from time to
11 time.

12 1.47 "Required Beginning Date" is as defined in
13 Section 5.7(f)(6).

14 1.48 "Retired Member" means an individual that
15 currently is receiving pension benefits from the System.

16 1.49 "Service Connected Disability" means a Total
17 Disability or Partial Disability, caused by an accident
18 arising out of and in the course of a Member's employment with
19 the County.

20 1.50 "Service Record" means an Employee's record of
21 service upon which the Pension Board bases all of the Member's
22 benefit calculations, including records of the County.

23 1.51 "Sick Leave Retirement Conversion" means a
24 program sponsored by the County wherein a Member is paid for
25 accumulated sick leave time.

26 1.52 "Superannuation Retirement Benefit" means a
27 benefit payable pursuant to the terms of Section 5.1(a).

1 1.53 "System" or "Plan" means "The General
2 Retirement System for Employees of Jefferson County," which
3 System or Plan may sue or be sued, and in such name all of its
4 business shall be transacted.

5 1.54 "Total Disability" means a permanent physical
6 or mental condition of a Member resulting from bodily injury,
7 disease, or mental disorder which renders such Member
8 incapable of continuing usual and customary employment with
9 the County. The disability of a Member shall be determined by
10 a licensed Medical Advisor.

11 1.55 "Trustee" means the Pension Board or the person
12 or entity appointed by the Pension Board and named as trustee
13 herein or in any separate trust forming a part of the Plan,
14 and any successors.

15 1.56 "Trust Fund" means the tax-qualified trust in
16 which certain Plan funds are held, disbursed, transferred and
17 invested by the Trustee at the Pension Board's (or its
18 designated Investment Manager's) discretion and in accordance
19 with this Act, the IRC and other applicable laws and
20 regulation.

21 1.57 "Unpaid Membership Time" means, subject to the
22 last paragraph of this Section 1.57, (i) time during which a
23 Member was employed by the County, but the Member did not make
24 Employee Contributions to the System and/or other Previous
25 Retirement Systems; (ii) time during which a Member withdrew
26 Employee Contributions for any reason, including upon a
27 termination of employment, unless this period of time is later

1 converted to Paid Membership Time as provided for in Section
2 3.4; and (iii) time during which a person held an elective
3 office or was employed in a full-time job or position in the
4 service of any municipality, governmental agency, or
5 subdivision or held an elective office, provided that at the
6 time said person served with such municipality, governmental
7 agency, or subdivision, it was subject to the County-wide
8 civil service law. However, Unpaid Membership Time shall not
9 include: (x) service with a municipality, governmental agency,
10 or subdivision if the Employee received a pension from such
11 municipality, governmental agency, or subdivision, on account
12 of such service or if such service was considered in the
13 calculation of said pension; (y) any Unpaid Membership Time
14 that has been converted to Paid Membership Time; and (z) any
15 service in a temporary job or position (as determined by the
16 Pension Board).

17 If such prior service with a municipality,
18 governmental agency, or subdivision was not an elective office
19 or in a classified position, such prior service shall not be
20 treated as Unpaid Membership Time unless such Employee
21 establishes to the satisfaction of the Pension Board that such
22 service was a full-time job.

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

1 Notwithstanding any provision of the Plan to the contrary,
2 Unpaid Membership Time shall not apply to Members who
3 initially join the System (or Members who rejoin the System
4 after having withdrawn) after August 16, 1996.

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

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

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

15 1.59 "Worker's Compensation Benefits" means any
16 benefit paid to a Member under any worker's compensation law
17 of the State of Alabama for any injury or disability suffered
18 by such Member while working for the County on the job or
19 position by reason of which he or she is a Member.

20 Additionally, Worker's Compensation Benefits are included in
21 Compensation for purposes of determining Employee
22 Contributions pursuant to Section 4.3. Worker's Compensation
23 Benefits are included in compensation for purposes of
24 calculating a retirement benefit only if inclusion of such
25 Worker's Compensation Benefits produces a higher benefit than
26 exclusion of such Worker's Compensation Benefits.

27 ARTICLE II

1 ADMINISTRATION

2 2.1 POWERS AND RESPONSIBILITIES OF THE COUNTY

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

7 (b) Contributions. The County shall contribute an
8 amount equal to six percent (6%) of an Employee's Compensation
9 from the County's general assets to the Trust Fund, as
10 provided in Section 4.1. The County also shall withhold six
11 percent (6%) of an Employee's Compensation each pay period as
12 provided in Section 4.3. The County also shall contribute any
13 amounts received pursuant to Acts 1999, No. 594, 1999 Regular
14 Session (Acts 1999, p. 1363) (as may be revised from time to
15 time) attributable to pistol permits. These funds shall be
16 given to the County Treasurer for deposit into the Trust Fund.
17 Additionally, the County may pay into the Trust Fund from the
18 general funds of the County, in such installments or times as
19 the County may elect, an amount or amounts sufficient to
20 assure that the System is actuarially sound.

21 2.2 DESIGNATION OF ADMINISTRATIVE AUTHORITY

22 (a) General Administration. The role of the Pension
23 Board is established by the State of Alabama through
24 legislative act. The Pension Board is responsible for the
25 general administration and proper operation of the Plan. The
26 Pension Board also is responsible for making effective the
27 provisions of the Act.

1 (b) Composition of Pension Board. The Pension Board
2 is comprised of five (5) members, designated respectively as
3 Member Number One, Member Number Two, Member Number Three,
4 Member Number Four and Member Number Five.

5 (1) Member Number One. Member Number One shall be
6 appointed by the governing body of the County and shall serve
7 as Chairman of the Pension Board. Member Number One must have
8 a minimum of ten (10) years experience in an executive
9 capacity in insurance or actuarial work. The initial term of
10 Member Number One shall be for one (1) year; and thereafter
11 the term of Member Number One shall be for three (3) years.

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

19 (3) Member Number Three. Member Number Three shall
20 be elected by the Jefferson County Personnel Board. The
21 initial term of Member Number Three shall expire at the end of
22 three (3) years; and the term of Member Number Three shall be
23 for three (3) years.

24 (4) Members Number Four and Five. Member Number Four
25 and Member Number Five shall be elected by the Active and
26 Retired Members of the System. The initial term of Member
27 Number Four shall be for one (1) year; and thereafter the term

1 of Member Number Four shall be for three (3) years. Member
2 Number Five shall be elected for terms of three (3) years.

3 (c) Procedure for the Election of Board Members Four
4 and Five and Selection of the Election Board.

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

7 (2) The Active and Retired Members of the System
8 shall elect Member Number Four and Member Number Five. The
9 election shall be held at the annual meeting of the Members of
10 the System provided for in Section 2.3(n) of this Article II,
11 or at a special meeting called for that purpose; provided that
12 there shall be no such election at a special meeting unless
13 the Pension Board has given at least fifteen (15) days written
14 notice of the time and place of the election by posting the
15 same in at least three (3) prominent places in the County
16 courthouse and by delivering three (3) copies of the same to
17 each elected official of the County to enable these officials
18 to inform their employees of the election; however, the
19 failure of any elected official to inform his or her employees
20 of the election shall not invalidate the election.

21 (3) The elections of Member Number Four and Member
22 Number Five shall be supervised by three (3) Active Members of
23 the System serving as the election board. The Members that
24 serve as the election board shall be appointed by the Active
25 Members and Retired Members at the annual meeting as provided
26 for in Section 2.3(n) of this Article II. If the Active
27 Members and Retired Members fail to appoint members to the

1 election board, the Pension Board will appoint the members of
2 the election board. The Pension Board shall have the authority
3 to prescribe additional rules and regulations for the
4 elections of Member Number Four and Member Number Five not
5 inconsistent with the provisions hereof.

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

9 (e) Resignation or Removal of Pension Board Member.
10 A member of the Pension Board may resign by delivering a
11 written resignation to the Pension Board or be removed by the
12 Pension Board by delivery of written notice of removal, to
13 take effect at a date specified therein, or upon delivery to
14 the Pension Board if no date is specified.

15 (f) Secretary. The Secretary of the Board shall be
16 the Director of Personnel of the County, or his or her
17 designated agent; however, in the event that the Director of
18 Personnel fails to act as Secretary and fails to appoint an
19 agent to serve such role, then the Pension Coordinator shall
20 serve as the Secretary.

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

27 2.3 POWERS AND DUTIES OF THE PENSION BOARD

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

25 The Pension Board shall be charged with the duties
26 of the general administration of the Plan as set forth under

1 the terms of the Plan, including, but not limited to, the
2 following:

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

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

8 (c) to maintain all necessary records for the
9 administration of the Plan;

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

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

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

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

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

26 (i) to determine the validity of, and take
27 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
25 increases in benefits (subject to the provisions of Section
26 7.2); and

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

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

8 2.4 RECORDS AND REPORTS

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

18 (b) Correction of Records. The Pension Board shall
19 correct any error in a Member's Service Record which the
20 Pension Board concludes is necessary to correct or remove an
21 injustice or prevent a Member from receiving less or more than
22 such Member is entitled to receive under the Plan. The Pension
23 Board shall adopt written rules prescribing the procedure the
24 Pension Board will follow in considering whether an error in
25 an Employee's Service Record should be corrected. Correction
26 of Service Records shall be subject to the following
27 limitations:

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

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

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

20 If the Pension Board determines that any amount has
21 been erroneously deducted from the Compensation of an Employee
22 and paid into the Trust Fund as an Employee Contribution, or
23 that any amount has been otherwise paid into the Trust Fund
24 erroneously upon behalf of any Employee, such amount shall be
25 refunded to the Employee, and any amount which may have been
26 paid erroneously to match such erroneous contribution shall be
27 refunded. The Pension Board is authorized to determine whether

1 interest shall be payable on any amounts returned and to
2 determine the amount of such interest to be paid, if any;
3 provided, however, that no interest shall be paid to any
4 Employee responsible for the error resulting in the erroneous
5 payment.

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

9 2.5 APPOINTMENT OF ADVISERS AND ALLOCATION OF
10 RESPONSIBILITIES

11 The Pension Board may allocate responsibilities
12 among the members of the Pension Board and/or may delegate
13 responsibilities to third parties. The County Attorney shall
14 be the legal advisor of the Pension Board. The Pension Board
15 may employ, appoint or contract with additional employees,
16 administrators, managers, counsel, specialists, advisers,
17 agents (including nonfiduciary agents) and other persons as
18 the Pension Board or the Trustee deems necessary or desirable
19 in connection with the administration of the Plan, including
20 but not limited to agents and advisers to assist with the
21 administration and management of the Plan, and thereby to
22 provide, among such other duties as the Pension Board may
23 appoint, assistance with maintaining Plan records and the
24 providing of investment information to the Plan's investment
25 fiduciaries, and none of such persons shall be subject to the
26 Civil Service System.

1 2.6 INFORMATION FROM COUNTY, PERSONNEL BOARD OR
2 COUNTY'S AGENT

3 The County, the Jefferson County Personnel Board or
4 the County's agent, as applicable, shall supply full and
5 timely information, including but not limited to all payroll,
6 service records and personal history of Members, to the
7 Pension Board as the Pension Board may require in order to
8 perform its duties hereunder. The Pension Board may rely upon
9 such information as accurate and shall have no duty or
10 responsibility to verify such information.

11 2.7 PAYMENT OF EXPENSES

12 All payment of benefits, expenses of administration,
13 and any other expenses arising hereunder, may be paid by the
14 Pension Board out of the Trust Fund, unless otherwise paid by
15 the County. Such expenses shall include any expenses incident
16 to the functioning of the Pension Board, or any person or
17 persons retained or appointed by any fiduciary incident to the
18 exercise of their duties under the Plan, including, but not
19 limited to, fees of accountants, counsel, Investment Managers,
20 and other specialists and their agents, and other costs of
21 administering the Plan. Until paid, the expenses shall
22 constitute a liability of the System.

23 2.8 MAJORITY ACTIONS

24 Three (3) members of the Pension Board shall
25 constitute a quorum for the transaction of all business.
26 Except where there has been an allocation and delegation of

1 administrative authority pursuant to Section 2.5, three (3)
2 votes shall be necessary for a decision by the Pension Board.

3 2.9 CLAIMS PROCEDURE

4 (a) Claims for benefits under the Plan must be filed
5 in writing with the Pension Coordinator on forms provided by
6 the Pension Board in accordance with procedures established by
7 the Pension Board and/or the Pension Coordinator. The
8 procedure and documents to be produced by a Member or
9 Beneficiary may differ depending on the type of benefit claim
10 being made.

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

15 2.10 CLAIMS REVIEW PROCEDURES

16 Any Employee, former Employee, or Beneficiary of
17 either, who has been denied a benefit by a decision of the
18 Pension Board pursuant to a claim made under Section 2.9 shall
19 be entitled to request the Pension Board to give further
20 consideration to a claim by filing with the Pension Board a
21 written request for a hearing. Such request shall be filed
22 with the Pension Board no later than sixty (60) days after
23 receipt of the written notification of denial. The Pension
24 Board shall then conduct a hearing as soon as administratively
25 feasible. The hearing will typically be held at the Pension
26 Board's regular monthly meeting. A final decision as to the
27 claim shall be made by the Pension Board as soon as

1 administratively feasible after receipt of the appeal and the
2 claimant will be notified in writing of the decision. In the
3 event of a denial of a Disability Retirement Benefit claim, a
4 new Disability Retirement Benefit claim may not be made for at
5 least six (6) months from the date of the last appeal denial,
6 unless otherwise determined in the discretion of the Pension
7 Board or the Pension Coordinator (e.g., in the event that new
8 evidence or new disability conditions arise before the end of
9 the 6-month period).

10 2.11 INVESTMENT AUTHORITY

11 (a) The Pension Board and any Investment Manager it
12 appoints are authorized to invest and reinvest the funds of
13 the System in all classes and forms of bonds, mortgages,
14 common and preferred stocks, shares of investment companies or
15 mutual funds, or any other investment. The Pension Board is
16 further authorized to hold, purchase, sell, assign, transfer,
17 and dispose of any investment in which the funds of the System
18 previously have been invested as well as the proceeds thereof.

19 (b) No Member or Employee shall have any direct
20 interest in the gains or profits of any investment made by the
21 Pension Board nor shall any Member or Employee become an
22 endorser or surety or act in any manner as an obligor for
23 moneys loaned to or borrowed from the Pension Board.

24 ARTICLE III

25 ELIGIBILITY

26 3.1 CONDITIONS OF ELIGIBILITY

1 Any Eligible Employee may become a Member of the
2 System as described below. Notwithstanding the following, any
3 person who was a Member of the System prior to the Effective
4 Date of the amendment and restatement of the Plan shall
5 continue to be a Member of the System.

6 (a) Mandatory Membership.

7 (1) Eligible Employees Subject to the Civil Service
8 System. Except as otherwise provided in Section 3.1(b), every
9 Eligible Employee who occupies a position subject to the Civil
10 Service System applicable to Jefferson County shall become a
11 Member of the System and shall make Employee Contributions to
12 the System in accordance with Section 4.3.

13 (2) Hospital Employees. Every Eligible Hospital
14 Employee (as defined in Section 1.21) shall become be a Member
15 of the System and shall make Employee Contributions to the
16 System in accordance with Section 4.3 if his or her relation
17 to the hospital corporation is such that if he or she had the
18 same relation to Jefferson County as he or she has to the
19 hospital corporation, his or her membership in the System
20 would be mandatory.

21 (b) Optional Membership. The following Eligible
22 Employees may exercise the option to become a Member of the
23 System by filing with the Secretary of the Pension Board an
24 executed declaration stating that he or she elects to become a
25 Member of the System, subject to all of the rights and
26 liabilities of Members of the System. The declaration shall be
27 in such form as the Pension Board may prescribe. Once the

1 declaration is accepted by the Pension Board or a
2 representative of the Pension Board, such Eligible Employee
3 then shall become a Member of the System and shall begin to
4 make Employee Contributions to the System in accordance with
5 Section 4.3. The option to become a Member, once exercised,
6 shall be irrevocable.

7 (1) Eligible Employees Not Subject to the Civil
8 Service System. Any Eligible Employee who occupies a position
9 not subject to the Civil Service System applicable to
10 Jefferson County shall not become a Member of the System
11 unless he or she exercises the option to become a Member.

12 (2) Hospital Employees. Any Eligible Hospital
13 Employee (as defined in Section 1.21) shall have the option of
14 becoming a Member of the System if such Eligible Hospital
15 Employee's relation to the hospital corporation is such that
16 if he or she had the same relation to Jefferson County as he
17 or she has to the hospital corporation, he or she would have
18 the option of becoming a Member of the System.

19 (3) Eligible County Office Employees, Eligible
20 Circuit Solicitors and Eligible Deputy Solicitors.
21 Notwithstanding the mandatory membership provisions in Section
22 3.1(a), any Eligible County Office Employee, any Eligible
23 Circuit Solicitor and any Eligible Deputy Solicitor (as each
24 is defined Section 1.21) shall not become a Member of the
25 System unless he or she exercises the option to become a
26 Member.

27 3.2 DETERMINATION OF ELIGIBILITY

1 The Pension Board shall determine the eligibility of
2 each Employee for membership in the System based upon
3 information furnished by the Jefferson County Personnel Board
4 or its designated agent. Such determination shall be
5 conclusive and binding upon all persons. Additionally, if the
6 Pension Board makes a determination upon an Employee's date of
7 hire by the Employer that such Employee is an Eligible
8 Employee, then such Employee shall continue to participate in
9 the Plan, even if such Employee subsequently no longer meets
10 the definition of an Eligible Employee under Section 1.21
11 (unless the Pension Board's initial determination was
12 erroneous).

13 3.3 TERMINATION OF ELIGIBILITY

14 In the event a Member subsequently elects to
15 participate in Another Pension System, such Member shall no
16 longer participate in the Plan, but shall continue to vest in
17 the Plan while a noneligible Employee, until such time as the
18 Member's benefit shall be forfeited or distributed pursuant to
19 the terms of the Plan.

20 3.4 CONVERSION OF UNPAID MEMBERSHIP TIME TO PAID 21 MEMBERSHIP TIME

22 (a) Commission-Authorized Conversions. The
23 Commission may, from time to time, authorize Members of the
24 System to convert Unpaid Membership Time to Paid Membership
25 Time if it determines that such conversion is in the public
26 interest. Unpaid Membership Time may be converted to Paid

1 Membership Time only when specifically authorized by the
2 Commission, and as set forth below.

3 (1) Actuarial Study and Calculations. Before an
4 opportunity to convert Unpaid Membership Time to Paid
5 Membership Time will be made available to any Members, the
6 Pension Board shall cause an actuarial evaluation to be
7 performed on the System to ensure that the System is able to
8 financially support said conversion and to determine the
9 amounts that must be contributed to the System by Members
10 seeking to convert Unpaid Membership Time, including the
11 amount of any "deficiency of deductions" (as described below).

12 (2) Contributions to Fund Conversion. In order to
13 convert Unpaid Membership Time to Paid Membership Time, a
14 Member must contribute to the Trust Fund an amount equal to:
15 (i) six percent (6%) of his or her current salary for each
16 year of service being converted, including the amount of
17 interest and other earnings these amounts would have earned
18 had they been paid into the Trust Fund at that time; plus (ii)
19 the amount that the County would have paid into the Trust Fund
20 as Employer Contributions (i.e., an additional six percent
21 (6%) of his or her current salary) for each year of service
22 being converted, including the amount of interest and other
23 earnings these amounts would have earned had they been paid
24 into the Trust Fund at that time; plus (iii) any additional
25 amount necessary to match the Member's liability as to his or
26 her "deficiency of deductions" (as described below), including
27 interest hereon.

1 "Deficiency of deductions" shall mean any remaining
2 liability of a Member resulting from his or her election to
3 convert Unpaid Membership Time to Paid Membership Time which
4 still exists after the payments in Section 3.4(a)(2)(i) and
5 3.4(a)(2)(ii) are made and which are needed to make the System
6 actuarially sound.

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

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

21 (c) No Employer Contributions Required. Nothing in
22 the Plan shall be construed as requiring the County in any
23 case to match contributions by Members converting Unpaid
24 Membership Time to Paid Membership Time.

25 3.5 REHIRED MEMBERS

26 If a Member of the System severs employment with the
27 County or his or her term in an elected or appointed job or

1 position terminates, and such Member thereafter returns to the
2 service of the County, he or she shall become a Member of the
3 System to the extent he or she meets the definition of an
4 Eligible Employee, subject to the following rules:

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

18 (b) Member Elected a Deferred Retirement. If a
19 Vested Member who severed employment with the County and
20 elected a Deferred Retirement Benefit is reemployed by the
21 County before age sixty (60), his or her election for a
22 Deferred Retirement Benefit shall be rescinded, and he or she
23 shall rejoin the System in accordance with Sections 3.1 and
24 4.3 and begin to accrue benefits again upon the date of
25 reemployment. Such Member's benefit shall be calculated by
26 aggregating the Member's credited service during all periods
27 of employment.

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

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

26 ARTICLE IV

27 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
26 date determined by the Pension Board) using any reasonable
27 method of valuation. In establishing the liabilities under the

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

10 4.3 EMPLOYEE CONTRIBUTIONS

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

24 (b) Withdrawal or Refunds of Employee Contributions.
25 Employee Contributions may be withdrawn or refunded only as
26 provided in Section 5.5.

27 (c) Cessation of Employee Contributions.

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

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

9 4.4 FORFEITURES, DONATIONS AND OTHER SIMILAR
10 CONTRIBUTIONS

11 The Pension Board and County are authorized to
12 contribute to the Trust Fund any monies received in the form
13 of donations, gifts, appropriations, bequests or otherwise, or
14 derived therefrom. Additionally, any Member or Beneficiary who
15 fails to make timely application for the amount of his or her
16 Employee Contributions pursuant to Section 5.5 shall be deemed
17 to have forfeited and donated such Employee Contributions to
18 the Trust Fund. In no event shall any forfeitures under the
19 Plan result in an increase in the benefit to be paid to any
20 Member. The Pension Coordinator shall provide one (1)
21 certified letter to the Member within sixty (60) days
22 following the Member's termination of employment advising the
23 Member of the foregoing forfeiture provisions. See also
24 Section 9.5 for additional forfeiture provisions.

25 4.5 SERVICE RULES

26 Except as otherwise specifically stated herein, the
27 rules below shall apply in determining length of service for

1 all purposes under the Plan (for example, for purposes of
2 determining years, months, years of service, years or months
3 of Paid Membership Time and years or months of Unpaid
4 Membership Time).

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

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

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

14 (d) A Member shall receive service credit for any
15 and all paid leaves of absence (including a paid FMLA Leave),
16 regardless of the length of the leave and regardless of the
17 performance of any services. For Member's terminating
18 employment between August 1, 1993 and January 31, 2010, up to
19 three (3) months of service credit was granted to Members on
20 unpaid FMLA Leaves.

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

25 1 month .0833

1	2 months	.1667
2	3 months	.2500
3	4 months	.3333
4	5 months	.4167
5	6 months	.5000
6	7 months	.5833
7	8 months	.6667
8	9 months	.7500
9	10 months	.8333
10	11 months	.9167
11	12 months	1.0000

12 (f) The Pension Board may disregard a fractional
13 part of a year in computing Paid Membership Time or Unpaid
14 Membership Time that is less than one-twelfth (1/12) of a
15 year.

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

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

22 ARTICLE V

23 BENEFITS

1 5.1 RETIREMENT BENEFITS

2 (a) Superannuation Retirement Benefit.

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

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

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

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

12 (2) Calculation of Benefit. If a Member meets the
13 foregoing eligibility criteria, then said Member shall be
14 eligible to retire and receive a monthly benefit for the
15 remainder of his or her life to be determined by the following
16 formula:

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

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

23 (3) 75% Limitation. Notwithstanding the foregoing,
24 no Member shall receive any retirement benefit in excess of
25 seventy-five percent (75%) of his or her Basic Average Salary.
26 This seventy-five percent (75%) limitation shall only be
27 applied at the time that the beginning retirement benefit is

1 determined and shall not limit increases granted to Retired
2 Members subsequent to their retirement. Additionally, this
3 seventy-five percent (75%) limitation shall be applied before
4 applying any actuarial adjustments to reflect survivor
5 benefits.

6 (4) IRC Section 401(a)(17) Limitation.

7 Notwithstanding the foregoing provisions of this Section
8 5.1(a), after applying the IRC Section 401(a)(17) Compensation
9 limit set forth in Section 1.11, the Pension Board, with the
10 assistance of an actuary, shall determine the adjustment(s) to
11 any or all of the components or factors of the benefit formula
12 (other than Paid Membership Time, Unpaid Membership Time,
13 and/or the Basic Average Salary as limited by the Compensation
14 limit) that would be necessary to yield the maximum benefit
15 specified under this Act, without regard to IRC Section
16 401(a)(17); the Pension Board shall then use such adjusted
17 benefit formula to determine the maximum benefit due from the
18 Plan, subject, however, to Article VI (IRC Section 415
19 Limitations).

20 (5) Eligibility for Joint Survivorship Pension. A
21 Member that is entitled to a Superannuation Retirement Benefit
22 shall be entitled to instead elect a Joint Survivorship
23 Pension, as provided for under Section 5.2.

24 (6) Death. If a Member dies while receiving payment
25 of a Superannuation Retirement Benefit, the return of any
26 remaining portion of his or her Employee Contributions shall
27 be governed by Section 5.5(e)(4). If the Member has received

1 payments in an amount at least equal to the amount of Employee
2 Contributions he or she made to the Plan at the time of death,
3 then no further payments will be made upon the Member's death.

4 (b) Early Retirement Benefits.

5 (1) Regular Early Retirement. A Member may elect
6 (but is not required to) to retire prior to age sixty (60) if
7 the Member has completed thirty (30) or more years of service,
8 ten (10) of which (but not the total thirty (30)) are Paid
9 Membership Time. In the event that a Member makes such an
10 election, such Member shall be entitled to receive an Early
11 Retirement Benefit equal to the Member's benefit that would be
12 payable pursuant to Section 5.1(a) above, but with an actuarial
13 equivalent reduction for each year less than sixty (60)
14 years of age, as follows:

		Reduced Retirement Benefit on Account of Retirement before Age 60 Expressed as a Percentage of the Superannuation Retirement Benefit under Section 5.1(a)
15	Age of Member on Last Birthday Preceding Retirement	
17	59	93%
18	58	87%
19	57	82%
20	56	77%
21	55	72%

1	54	68%
2	53	64%
3	52	60%
4	51	57%
5	50	54%
6	49	51%
7	48	48%

8 (2) 25-Year Early Retirement Benefit. On and after
9 April 24, 2003, a Member with at least twenty-five (25) years
10 of Paid Membership Time, but less than thirty (30) years of
11 Paid Membership Time, who is not eligible for a Superannuation
12 Retirement Benefit may elect to retire early, but is not
13 required to do so. In the event that a Member makes such an
14 election, such Member shall be entitled to receive a 25-Year
15 Early Retirement Benefit equal to the Member's benefit that
16 would be payable under Superannuation Retirement Benefit
17 pursuant to Section 5.1(a) above, but with an actuarial
18 equivalent reduction of seven percent (7%) for each whole year
19 less than thirty (30) years. For purposes of the seven percent
20 (7%) reduction, months are not counted.

21 (3) Eligibility for Joint Survivorship Pension. A
22 Member that is entitled to an Early Retirement Benefit shall
23 be entitled to instead elect a Joint Survivorship Pension, as
24 provided for under Section 5.2.

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

8 (c) Deferred Retirement Benefits.

9 (1) General Rules for Deferred Retirement Benefits.

10 (i) Ineligibility for Deferred Retirement Benefit if
11 Eligible for Superannuation Retirement Benefit. If a Member is
12 eligible for a Superannuation Retirement Benefit, then he or
13 she is not eligible for a Deferred Retirement Benefit.

14 (ii) Withdrawal of Employee Contributions. A Member
15 who has elected a Deferred Retirement Benefit may at any time
16 before payment of such benefit commences withdraw in full his
17 or her Employee Contributions, without interest. However, no
18 Deferred Retirement Benefit shall be paid to a Member who
19 withdraws such Employee Contributions.

20 (iii) Eligibility for Joint Survivorship Pension. A
21 Member that is entitled to a Deferred Retirement Benefit shall
22 be entitled to instead elect a Post-Retirement Joint
23 Survivorship Pension provided for under Section 5.2.

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

1 (2) Regular Deferred Retirement Benefit.

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

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

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

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

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

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

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

18 Fifteen (15) or more years of Paid Membership Time:
19 100%

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

26 (3) Involuntary Deferred Retirement Benefit.

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

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

1 (A) Member Contributions. In order to receive a
2 benefit under Section 5.1(c)(3)(ii) above, a Member must
3 contribute to the Plan from the date of the Member's
4 involuntary retirement to the date that the benefit commences,
5 by the last day of each calendar month: (i) the amount of
6 Employee Contributions that he or she would have made if he or
7 she had continued to be employed by the County at the same
8 salary as he or she was receiving at the time of his or her
9 termination of employment, plus (ii) the amount which the
10 County would have contributed to the Plan on the Member's
11 behalf if he or she had continued to be employed by the County
12 at the same salary as he or she was receiving at the time of
13 his or her termination of employment.

14 (B) Commencement of Payment. Payment of a Member's
15 Involuntary Deferred Retirement Benefit under Section
16 5.1(c)(3)(ii) shall commence upon the earlier of: (i) the date
17 on which the Member attains the age of sixty (60); or (ii) the
18 date on which the Member would have completed thirty (30)
19 years of service with the County, if he or she had continued
20 employment with the County, regardless of whether the Member
21 is employed with another employer at the time payment is to
22 commence; provided however, that if at the time payment of the
23 Deferred Retirement Benefit commences, he or she has not
24 attained the age of sixty (60), the amount of his or her
25 monthly benefit computed in accordance with Section 5.1(a)
26 (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

25 (a) Election of Post-Retirement Joint Survivorship
26 Pension. In lieu of a benefit under Sections 5.1(a)-(c)
27 (Superannuation Retirement Benefit, Early Retirement Benefit,

1 or Deferred Retirement Benefit, respectively), a Member may
2 elect to receive a Post-Retirement Joint Survivorship Pension.

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

9 (i) Reduced monthly benefit payable over the life of
10 the Member and the life of the Member's designated Beneficiary
11 (50% Post-Retirement Joint Survivorship Pension);

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

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

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

23 (2) Form of Post-Retirement Joint Survivorship
24 Pension. In addition to electing a percentage under Section
25 5.2(a)(1) above, a Member who desires to elect to receive a
26 Post-Retirement Joint Survivorship Pension must elect one of
27 the following two forms:

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

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

15 (b) Timing of Election. Except as provided in the
16 immediately following sentence, in the event that a Member
17 desires to elect a Post-Retirement Joint Survivorship Pension,
18 he or she must do so in writing, on a form provided by the
19 Pension Board, no later than the Member's last day of
20 employment. In the event that a Member previously elected a
21 Deferred Retirement Benefit and desires to elect a
22 Post-Retirement Joint Survivorship Pension, he or she must do
23 so in writing, on a form provided by the Pension Board, no
24 later than the day before the Member's sixtieth (60th)
25 birthday.

26 (c) Timing of Payments. Payment to the Member
27 commences on the day after the Member terminates employment

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

13 (d) Cost of Post-Retirement Joint Survivorship
14 Pension. To the extent that a Member elects payment of a
15 Post-Retirement Joint Survivorship Pension for his or her
16 Beneficiary, the benefit otherwise payable to the Member shall
17 be actuarially reduced to reflect the survivorship benefits.

18 (e) Changes in Election. At any time before payment
19 of a Post-Retirement Joint Survivorship Pension begins, the
20 Member may cancel his or her election to have payment in such
21 form by completing a form provided by the Pension Board.
22 Except as otherwise stated herein, the Member's election of a
23 Post-Retirement Joint Survivorship Pension shall be
24 irrevocable once the Member terminates employment.

25 (1) Death.

26 (i) Death of Member Prior to Actual Retirement. In
27 the event that a Member dies prior to his or her actual

1 retirement, any Post-Retirement Joint Survivorship Pension
2 election he or she made shall be deemed void.

3 (ii) Death of Beneficiary Before Payments Commence.

4 In the event that a Member elects a Post-Retirement Joint
5 Survivorship Pension and his or her Beneficiary dies before
6 payments commence, then upon said Beneficiary's death, the
7 Member's election of the Post-Retirement Joint Survivorship
8 Pension shall be automatically canceled, and the Member's
9 right to receive payments in accordance with Section
10 5.1(a)-(c), as applicable, will be reinstated.

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

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

15 Notwithstanding the foregoing sentence, in the event that the
16 Member and his or her Beneficiary die, a refund will be made
17 in accordance with Section 5.5(e)(3).

18 (2) Divorce. In the event that a married Member
19 names his or her spouse as Beneficiary, a subsequent divorce
20 of the Member and the Beneficiary will not cancel an election
21 of a Post-Retirement Joint Survivorship Pension. However, in
22 the event that a Member or Beneficiary presents to the Pension
23 Board what the Pension Board believes to be a valid divorce
24 decree, settlement agreement or domestic relations order
25 (collectively, a "DRO") that provides for a waiver or
26 forfeiture of the Post-Retirement Joint Survivorship Pension,
27 then such waiver or forfeiture will be recognized by the

1 Pension Board, and, accordingly, the Post-Retirement Joint
2 Survivorship Pension will be deemed void, and the Member's
3 monthly pension benefit will thereafter "pop-up" to the amount
4 that would have been payable to the Member under Section
5 5.1(a)-(c), as applicable, as if the Member had never elected
6 a Post-Retirement Joint Survivorship Pension. Such "pop-up"
7 shall occur in the month following the Pension Board's receipt
8 and approval of the DRO. The Member will not be allowed to
9 continue any survivor benefits by designating another
10 Beneficiary. See also Section 9.5(a) for additional rules
11 relating to certain DROs.

12 (f) Beneficiary Designation. Any Beneficiary
13 designation made by a Member for a Pre-Retirement Joint
14 Survivorship Pension shall automatically lapse upon the
15 Member's retirement or other termination of employment, and
16 such Member must complete new forms, to be provided by the
17 Pension Board, to designate a Beneficiary of any
18 Post-Retirement Joint Survivorship Pension, in accordance with
19 Section 5.4(d).

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

23 5.3 DISABILITY RETIREMENT BENEFITS

24 (a) Non-Service Connected Disability Benefits. Sub-
25 ject to Section 5.3(h) below, any Member who, after accumulat-
26 ing ten (10) years of Paid Membership Time, experiences a To-
27 tal Disability as a result of a Non-Service Connected Disabil-

1 ity shall be entitled to receive, at the time set forth in
2 Section 5.3(e), monthly Disability Retirement Benefits deter-
3 mined in accordance with Section 5.1 above, as though the dis-
4 abled Member were entitled to a Superannuation Retirement Ben-
5 efit at the commencement of the disability; however, there
6 shall be a percentage reduction of such benefit to reflect
7 early commencement of the payment, such percentage to be based
8 on the Member's whole years from actual eligibility for a Su-
9 perannuation Retirement Benefit, as set forth below. Notwith-
10 standing any provisions to the contrary, the minimum monthly
11 Disability Retirement Benefit payable in connection with a
12 Non-Service Connected Disability shall be fifty percent (50%)
13 of the monthly Compensation the Member was receiving at the
14 time he or she experienced a Total Disability.

15	Number of Whole Years Until	Percentage Reduction of Su-
16	Eligibility for Superannua-	perannuation Retirement Bene-
17	tion Retirement Benefit	fit
18	1	93%
19	2	87%
20	3	82%
21	4	77%
22	5	72%
23	6	68%
24	7	64%

1	8	60%
2	9	57%
3	10	54%
4	11 or more	50%

5 (b) Service Connected Disability Benefits. Subject
6 to Section 5.3(h) below, any Member who experiences a Total
7 Disability as a result of a Service Connected Disability shall
8 be entitled to receive monthly Disability Retirement Benefits
9 in an amount equal to sixty percent (60%) of the Member's
10 monthly Compensation that he or she was receiving at the time
11 he or she experienced a Total Disability.

12 (c) Partial Disability Benefits. In the event that a
13 Member experiences a Partial Disability in connection with
14 either a Non-Service Connected Disability or a Service
15 Connected Disability, the Pension Board and its Medical
16 Advisor shall determine the percentage of disability suffered,
17 and the Member shall be entitled to the proportion of the
18 amount which would have been payable if the disability were a
19 Total Disability.

20 (d) Disqualification from Receipt of Disability
21 Benefits. No Disability Retirement Benefits shall be paid if
22 the use of intoxicating liquor, narcotic drugs, or willful
23 misconduct of the disabled Member caused, or substantially
24 contributed to, the disability or if the cause of the

1 disability was voluntarily and willfully caused by the
2 disabled Member.

3 (e) Timing of Payment. Payment of Disability
4 Retirement Benefits provided for by this Section 5.3 shall
5 commence when the Member separates from employment with the
6 County and ceases to receive his or her Compensation subject
7 to the Employee Contribution requirements set forth in Section
8 4.1 and once a determination of disability has been made by
9 the Pension Board.

10 (f) Re-examination of Members Receiving Disability
11 Benefits. Disability Retirement Benefits under this Section
12 5.3 shall only continue for such time as the Member continues
13 to experience a Total Disability (or a Partial Disability as
14 determined under Section 5.3(c)). The Pension Board may
15 require any Member receiving Disability Retirement Benefits to
16 submit to a medical examination by the Medical Advisor. If the
17 Member refuses to undergo the medical examination ordered by
18 the Pension Board, the Member's Disability Retirement Benefits
19 may be discontinued until the Member consents to the
20 examination. If a Member's Disability Retirement Benefits are
21 discontinued based on the Member's refusal to allow a
22 re-examination by the Medical Advisor, the Member shall wholly
23 lose such benefits between the date of the Member's refusal or
24 failure to allow the examination and the date of examination
25 thereafter made. Should the Medical Advisor report to the
26 Pension Board that the Member receiving Disability Retirement
27 Benefits is able to resume his or her usual occupation, such

1 Member shall be restored to his or her former position if the
2 Member's position is in the service of the County; otherwise,
3 the Member shall be placed on the appropriate lay-off list of
4 the County and shall not receive any additional payments for
5 disability on and after the date said Member is re-employed by
6 the County or fails or refuses to accept such re-employment.
7 If the Member is re-employed by the County, the Member shall
8 resume Employee Contributions immediately upon reemployment in
9 accordance with Section 4.1. Provided however, the Pension
10 Board shall in no case make additional Disability Retirement
11 Benefit payments to a Member on a particular disability claim
12 beyond six (6) months from the date the Medical Advisor
13 reports to the Pension Board that the Member is able to resume
14 his or her usual occupation.

15 (g) Ineligibility for Joint Survivorship Pension
16 Option. A Member electing a Disability Retirement Benefit
17 shall not be entitled to elect a Joint Survivorship Pension
18 provided under Section 5.2 (though such a Member may elect a
19 25-year Early Retirement Benefit if such Member has met the
20 eligibility requirements set forth in Section 5.1(b)(2)).

21 (h) Ineligibility for Disability Retirement Benefit
22 if Eligible for Superannuation Retirement Benefit. In the
23 event that a Member is eligible for a Superannuation
24 Retirement Benefit pursuant to Section 5.1(a), such Member
25 shall not be eligible for a Disability Retirement Benefit.

26 (i) Death. If a Member dies while receiving payment
27 of a Disability Retirement Benefit, the return of any

1 remaining portion of his or her Employee Contributions shall
2 be governed by Section 5.5(e) (4). If the Member has received
3 payments in an amount at least equal to the amount of Employee
4 Contributions he or she made to the Plan at the time of death,
5 then no further payments will be made upon the Member's death.

6 5.4 DEATH BENEFITS

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

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

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

22 (ii) Refund. The Beneficiary may elect a refund of
23 the Member's Employee Contributions in accordance with Section
24 5.5(e) (2).

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

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

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

23 (b) Timing of Payment(s). In the event of an
24 election of a Pre-Retirement Joint Survivorship Pension, such
25 payment shall begin as soon as administratively feasible after
26 the Pension Board is notified of the death. In any event,
27 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
26 according to actuarially-calculated costs, beginning with the
27 date of the election through September 30, 1999.

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

7 (d) Beneficiaries.

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

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

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

20 (iii) the Member has no spouse.

21 (2) All Other Death Benefits. Except as provided in
22 Section 5.4(d) (1) above, a Member, whether married or not, may
23 designate any Beneficiary, and may do so without the need of
24 the consent of a spouse for a non-spousal beneficiary
25 designation.

26 (3) Forms. Designation of a Beneficiary shall be
27 made on a form provided by the Pension Board. A Member may at

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

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

22 (5) More than One Beneficiary. In the event that
23 more than one primary Beneficiary is designated and a
24 designated primary Beneficiary dies, absent any direction on
25 the beneficiary designation form to the contrary, the Member's
26 benefit shall be divided equally among the remaining primary
27 Beneficiary(ies).

1 (6) Designation of Non-Persons as Beneficiaries. A
2 Member may designate a non-person as a Beneficiary (for
3 example, a trust or estate). In such event, the Pension Board
4 may require additional documentation (for example, trust
5 documents).

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

13 (8) Effect of Marriage or Divorce Upon a Beneficiary
14 Designation. Except in the case of a Pre-Retirement Joint
15 Survivorship Pension, marriage or divorce does not change any
16 previous beneficiary designation. In the case of a
17 Pre-Retirement Joint Survivorship Pension, if an unmarried
18 Member gets married, such Member's spouse shall automatically
19 become the Member's Beneficiary (which can thereafter be
20 waived in accordance with Section 5.4(d)(1) above).

21 (9) Distribution for Minor or Incompetent
22 Beneficiary. In the event a distribution is to be made to a
23 minor or incompetent Beneficiary, then the Pension Board may
24 direct that such distribution be paid to the legal guardian,
25 or if none in the case of a minor Beneficiary, to a parent of
26 such Beneficiary or a responsible adult with whom the
27 Beneficiary maintains residence, or to the custodian for such

1 Beneficiary under the Uniform Gift to Minors Act or Gift to
2 Minors Act, if such is permitted by the laws of the state in
3 which said Beneficiary resides. Such a payment to the legal
4 guardian, custodian or parent of a minor Beneficiary shall
5 fully discharge the Trustee, the County, the Pension Board and
6 the Plan from further liability on account thereof. The
7 Pension Board may require evidence of guardianship, existence
8 of custodial accounts or any other documentation that is
9 deemed prudent to establish that payment will be made
10 properly.

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

16 (f) Proof of Death and Marriage. The Pension Board
17 may require such proper proof of death/marriage and such
18 evidence of the right of any person to receive the death
19 benefit payable as a result of the death of a Member as the
20 Pension Board may deem desirable. Such proof may include a
21 certified marriage certificate, certified death certificate of
22 the Member; affidavits of relatives, Members or other persons
23 knowledgeable of the fact of marriage. If no marriage
24 certificate is available and for common law marriage, proof
25 shall include evidence of the existence of the marriage as may
26 be required by law and also may require indemnification and
27 hold harmless agreements. The Pension Board may require that

1 unclear cases be adjudicated in an appropriate court
2 proceeding. An unmarried Member may be required by the Pension
3 Board to sign an affidavit to certify that such Member is not
4 married. The Pension Board's determination of death benefits
5 and the right of any person to receive payment shall be
6 conclusive.

7 5.5 WITHDRAWAL AND REFUND OF EMPLOYEE CONTRIBUTIONS

8 The following provisions generally govern a Member's
9 withdrawal and refund of Employee Contributions under the
10 Plan. Any Member who fails to make application for the amount
11 of his or her Employee Contributions pursuant to this Section
12 5.5 within five (5) years after his or her separation from the
13 service of the County, except as otherwise provided herein or
14 otherwise determined by the Pension Board, shall be deemed to
15 have forfeited and donated such Employee Contributions to the
16 Trust Fund pursuant to Section 4.4. The foregoing five (5)
17 year rule only applies to a Member; in the case of a
18 Beneficiary, the Pension Board may only forfeit Employee
19 Contributions after it has exhausted reasonable efforts to
20 locate said Beneficiary.

21 (a) Withdrawal of Employee Contributions by Members
22 Not Entitled to a Deferred Retirement Benefit. In the event
23 that a Member ceases to be an Employee of the County for
24 reasons other than retirement, death or disability before he
25 or she is eligible for a Deferred Retirement Benefit, such
26 Member, upon written application therefore to the Pension

1 Board, shall be paid the full amount of his or her Employee
2 Contributions, without interest.

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

5 (1) General Rule. Subject to the limitations stated
6 below in Section 5.5(b)(2), in the event that a Member ceases
7 to be an Employee of the County for reasons other than
8 retirement, death or disability when he or she is eligible for
9 a Deferred Retirement Benefit (but has not elected a Deferred
10 Retirement Benefit), such Member, upon written application
11 therefore to the Pension Board, shall be paid the full amount
12 of his or her Employee Contributions, with interest. The
13 provisions of Section 5.1(c)(1)(ii) shall govern the
14 withdrawal of Employee Contributions for any Member who has
15 elected a Deferred Retirement Benefit, but has not yet been
16 paid.

17 (2) Rules and Regulations. The Pension Board shall
18 establish by rules and regulations setting forth the amount of
19 interest which is payable to Members under this Section
20 5.5(b). In establishing such rules and regulations, the
21 Pension Board shall take into consideration the interest the
22 System has earned on the Employee Contributions paid into the
23 Trust Fund on account of the Member withdrawing such Employee
24 Contributions. The Pension Board may amend such rules and
25 regulations at any time in its sole discretion.

26 (c) Withdrawal of Employee Contributions by Members
27 Who Become Members of Another Pension System. If a Member

1 becomes a member of Another Pension System, such Member shall
2 have the right to withdraw from the Plan. In order to
3 accomplish such withdrawal, such Member must deliver to the
4 Pension Board a written notice of his or her election to
5 withdraw from the Plan, which notice shall include the name of
6 such other pension system which such Member is electing to
7 join and shall identify the act creating it. If the Pension
8 Board determines that such Member is entitled to withdraw from
9 the Plan, the Member shall no longer be a Member of the Plan
10 and Employee Contributions by him or her and by the County on
11 his or her behalf to the Trust Fund shall cease. If the
12 Pension Board finds that before such Member delivered the
13 aforesaid notice to the Pension Board, he or she had not
14 become entitled to elect a Deferred Retirement Benefit, the
15 Pension Board will return to such Member the full amount of
16 his or her Employee Contributions, without interest. If the
17 Pension Board finds that before such Member delivered said
18 notice to the Pension Board, he or she had become entitled to
19 elect a Deferred Retirement Benefit, the Pension Board will
20 return to such Member the full amount of his or her Employee
21 Contributions, with interest as provided by rules and
22 regulations adopted by the Pension Board.

23 (d) Partial Refund of Employee Contributions and
24 Cessation of Employee Contributions and Employer
25 Contributions. When a Member's service entitles him or her to
26 receive the maximum benefit that can be provided under the
27 Plan, said Member may elect to terminate his or her Employee

1 Contributions by filing with the secretary of the Pension
2 Board a statement signed by said Member stating that he or she
3 elects to terminate his or her Employee Contributions; in such
4 case, the Employer Contribution to the Trust Fund on said
5 Member's behalf shall cease. As soon as practicable after a
6 Member files such statement, the Pension Board shall refund to
7 him or her all Employee Contributions, without interest, made
8 by him or her to the Trust Fund subsequent to the date on
9 which the Member accumulated sufficient service to entitle him
10 or her to the maximum benefit that can be provided under the
11 Plan; additionally the Pension Board shall refund to the
12 County any associated Employer Contributions, without
13 interest.

14 (e) Refunds Upon Death of a Member.

15 (1) Refund of Employee Contributions for Deceased,
16 Non-Vested Active Members Not Entitled to Deferred Retirement
17 Benefits. If a non-Vested Active Member dies, then an amount
18 equal to the total amount of such Member's Employee
19 Contributions, without interest, shall be refunded to the
20 Member's Beneficiary in one lump sum payment.

21 (2) Refund of Employee Contributions for Deceased,
22 Vested Members Entitled to Deferred Retirement Benefits, but
23 no Payments have Commenced.

24 (i) Eligibility. Unless an election has been made in
25 accordance with Section 5.4 to receive a Pre-Retirement Joint
26 Survivorship Pension, if a Vested Member dies (before payments
27 have commenced), then an amount equal to the total amount of

1 such Member's Employee Contributions, with interest, shall be
2 refunded to the Member's Beneficiary in one lump sum payment.
3 This rule shall apply regardless of whether the Member dies
4 while Active, or after a Deferred Retirement election has been
5 made, so long as payments have not commenced.

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

15 (3) Refund of Employee Contributions for Deceased
16 Members Who Previously Elected a Post-Retirement Joint
17 Survivorship Pension.

18 (i) Eligibility - Retired Member. Subject to Section
19 5.5(e) (3) (ii) (A)-(C) below, if a Retired Member dies after a
20 Post-Retirement Joint Survivorship Pension has been elected,
21 then a refund may be paid in one lump sum only as set forth in
22 Section 5.5(e) (3) (ii) below.

23 (ii) Rules and Regulations. The Pension Board is
24 authorized to adopt rules and regulations providing for the
25 Pension Board to refund a Member's Employee Contributions
26 after such Member dies with a Post-Retirement Joint
27 Survivorship Pension election in place and to pay interest on

1 any such refund, subject to the conditions and limitations
2 stated below:

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

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

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

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

25 (iv) Payment Made to Contingent Beneficiary. A
26 refund pursuant to this Section 5.5(e) (3) shall be paid to the
27 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
25 Contributions that are returned to the County pursuant to
26 Section 5.5(h) below.

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

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

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

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

19 (k) Refund to Include Amounts Transferred from
20 457(b) Plan. In the event that any Member transfers amounts
21 from a IRC Section 457(b) plan in accordance with Section
22 9.1(b), a refund shall include such transferred amounts (with
23 interest if the Member is Vested).

24 5.6 OFFSET OF BENEFITS FOR REHIRED RETIRED MEMBERS
25 BY AMOUNTS PAYABLE BY COUNTY

26 Any amount otherwise payable under the Plan to a
27 rehired Retired Member for any month or part thereof on

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

13 5.7 MINIMUM DISTRIBUTION REQUIREMENTS

14 (a) General Rules.

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

19 (2) Requirements of Treasury Regulations

20 Incorporated. All distributions required under this Section
21 5.7 shall be determined and made in accordance with IRC
22 Section 401(a)(9), including the incidental death benefit
23 requirement in IRC Section 401(a)(9)(G), and the Regulations
24 thereunder.

25 (3) Precedence. Subject to the joint and survivor
26 annuity requirements of the Plan, the requirements of this

1 Section 5.7 shall take precedence over any inconsistent
2 provisions of the Plan.

3 (b) Time and Manner of Distribution.

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

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

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

20 (ii) Life Expectancy Rule, Spouse is not
21 Beneficiary. At the election of the Member or, if no election
22 is made by the Member, then at the election of the Member's
23 Designated Beneficiary, if the Member's surviving spouse is
24 not the Member's sole Designated Beneficiary, then
25 distributions to the Designated Beneficiary will begin by
26 December 31st of the calendar year immediately following the
27 calendar year in which the Member died.

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

14 Members or beneficiaries may elect on an individual
15 basis whether the 5-year rule in Section 5.7(b)(2)(iii) or the
16 life expectancy rule in Sections 5.7(b)(2)(i) or
17 5.7(b)(2)(ii), and 5.7(e) applies to distributions after the
18 death of a Member who has a Designated Beneficiary. The
19 election must be made no later than the earlier of September
20 30th of the calendar year in which distribution would be
21 required to begin under Sections 5.7(b)(2)(i) or
22 5.7(b)(2)(ii), or by September 30th of the calendar year which
23 contains the fifth anniversary of the Member's (or, if
24 applicable, surviving spouse's) death under Section
25 5.7(b)(2)(iii). If neither the Member nor beneficiary makes an
26 election under this paragraph, distributions will be made in

1 accordance with Sections 5.7(b) (2) (i) or 5.7(b) (2) (ii), and
2 5.7(e).

3 (iv) No Designated Beneficiary, 5-Year Rule. If
4 there is no Designated Beneficiary as of September 30th of the
5 year following the year of the Member's death, the Member's
6 entire interest will be distributed by December 31st of the
7 calendar year containing the fifth anniversary of the Member's
8 death.

9 (v) Surviving Spouse Dies Before Distributions
10 Begin. If the Member's surviving spouse is the Member's sole
11 Designated Beneficiary and the surviving spouse dies after the
12 Member but before distributions to the surviving spouse begin,
13 then this Section 5.7(b), other than Section 5.7(b) (2) (i),
14 will apply as if the surviving spouse were the Member.

15 For purposes of this Section 5.7(b) and Section
16 5.7(e), distributions are considered to begin on the Member's
17 Required Beginning Date (or, if Section 5.7(b) (2) (v) applies,
18 the date distributions are required to begin to the surviving
19 spouse under Section 5.7(b) (2) (i)). If annuity payments
20 irrevocably commence to the Member before the Member's
21 Required Beginning Date (or to the Member's surviving spouse
22 before the date distributions are required to begin to the
23 surviving spouse under Section 5.7(b) (2) (i)), the date
24 distributions are considered to begin is the date
25 distributions actually commence.

26 (3) Form of Distribution. Unless the Member's
27 interest is distributed in the form of an annuity purchased

1 from an insurance company or in a single sum on or before the
2 Required Beginning Date, as of the first Distribution Calendar
3 Year distributions will be made in accordance with Sections
4 5.7(c), 5.7(d), and 5.7(e). If the Member's interest is
5 distributed in the form of an annuity purchased from an
6 insurance company, distributions thereunder will be made in
7 accordance with the requirements of IRC Section 401(a) (9) and
8 the Regulations thereunder. Any part of the Member's interest
9 which is in the form of an individual account described in IRC
10 Section 414(k) will be distributed in a manner satisfying the
11 requirements of IRC Section 401(a) (9) and the Regulations
12 thereunder applicable to individual accounts.

13 (c) Determination of Amount to be Distributed Each
14 Year.

15 (1) General Annuity Requirements. A Member who is
16 required to begin payments as a result of attaining his or her
17 Required Beginning Date, whose interest has not been
18 distributed in the form of an annuity purchased from an
19 insurance company or in a single sum before such date, may
20 receive such payments in the form of annuity payments under
21 the Plan. Payments under such annuity must satisfy the
22 following requirements:

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

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

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

4 (iv) Payments will either be nonincreasing or
5 increase only to the extent permitted by one of the following
6 conditions:

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

11 (B) By a percentage increase that occurs at
12 specified times (e.g., at specified ages) and does not exceed
13 the cumulative total of annual percentage increases in an
14 Eligible Cost-of-Living Index since the Annuity Starting Date,
15 or if later, the date of the most recent percentage increase.
16 In cases providing such a cumulative increase, an actuarial
17 increase may not be provided to reflect the fact that
18 increases were not provided in the interim years;

19 (C) To the extent of the reduction in the amount of
20 the Member's payments to provide for a survivor benefit upon
21 death, but only if the beneficiary whose life was being used
22 to determine the distribution period described in Section
23 5.7(d) dies or is no longer the Member's beneficiary pursuant
24 to a qualified domestic relations order within the meaning of
25 IRC Section 414(p);

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

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

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

10 (G) To provide a final payment upon the death of the
11 Member that does not exceed the excess of the actuarial
12 present value of the Member's accrued benefit (within the
13 meaning of IRC Section 411(a)(7)) calculated as of the Annuity
14 Starting Date using the applicable interest rate and the
15 applicable mortality table under IRC Section 417(e) (or, if
16 greater, the total amount of Employee Contributions) over the
17 total of payments before the death of the Member; or

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

20 (i) Actuarial gain is measured not less frequently
21 than annually;

22 (ii) The resulting dividend or other payments are
23 either paid no later than the year following the year for
24 which the actuarial experience is measured or paid in the same
25 form as the payment of the annuity over the remaining period
26 of the annuity (beginning no later than the year following the
27 year for which the actuarial experience is measured);

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

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

5 (v) The annuity payments are not also being
6 increased by a constant percentage as described in Section
7 5.7(c) (1) (iv) (F) above.

8 (2) Amount Required to be Distributed by Required
9 Beginning Date.

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

26 (ii) In the case of a single sum distribution of a
27 Member's entire accrued benefit during a Distribution Calendar

1 Year, the amount that is the required minimum distribution for
2 the Distribution Calendar Year (and thus not eligible for
3 rollover under IRC Section 402(c)) is determined under this
4 paragraph. The portion of the single sum distribution that is
5 a required minimum distribution is determined by treating the
6 single sum distribution as a distribution from an individual
7 account plan and treating the amount of the single sum
8 distribution as the Member's account balance as of the end of
9 the relevant valuation calendar year. If the single sum
10 distribution is being made in the calendar year containing the
11 Required Beginning Date and the required minimum distribution
12 for the Member's first Distribution Calendar Year has not been
13 distributed, the portion of the single sum distribution that
14 represents the required minimum distribution for the Member's
15 first and second Distribution Calendar Year is not eligible
16 for rollover.

17 (3) Additional Accruals After First Distribution
18 Calendar Year. Any additional benefits accruing to the Member
19 in a calendar year after the first Distribution Calendar Year
20 will be distributed beginning with the first payment interval
21 ending in the calendar year immediately following the calendar
22 year in which such amount accrues. Notwithstanding the
23 preceding, the Plan will not fail to satisfy the requirements
24 of this paragraph and IRC Section 401(a)(9) merely because
25 there is an administrative delay in the commencement of the
26 distribution of the additional benefits accrued in a calendar
27 year, provided that the actual payment of such amount

1 commences as soon as practicable. However, payment must
2 commence no later than the end of the first calendar year
3 following the calendar year in which the additional benefit
4 accrues, and the total amount paid during such first calendar
5 year must be no less than the total amount that was required
6 to be paid during that year under this paragraph.

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

13 (d) Requirements For Annuity Distributions That
14 Commence During Member's Lifetime.

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

1 determined in the same manner for the Member and the
2 beneficiary. If the form of distribution combines a joint and
3 survivor annuity for the joint lives of the Member and the
4 Member's spouse and a period certain annuity, the preceding
5 requirements will apply to annuity payments to be made to the
6 Designated Beneficiary after the expiration of the period
7 certain.

8 (2) Joint Life Annuities Where the Beneficiary Is
9 Not the Member's Spouse. If the Member's interest is being
10 distributed in the form of a joint and survivor annuity for
11 the joint lives of the Member and a beneficiary other than the
12 Member's spouse, the minimum distribution incidental benefit
13 requirement will not be satisfied as of the date distributions
14 commence unless under the distribution option, the annuity
15 payments to be made on and after the Member's Required
16 Beginning Date will satisfy the conditions of this Paragraph.
17 The periodic annuity payment payable to the survivor must not
18 at any time on and after the Member's Required Beginning Date
19 exceed the applicable percentage of the annuity payment
20 payable to the Member using the table set forth in Q &
21 A-2(c)(2) of Section 1.401(a)(9)-6 of the Regulations. The
22 applicable percentage is based on the adjusted
23 Member/beneficiary age difference. The adjusted
24 Member/beneficiary age difference is determined by first
25 calculating the excess of the age of the Member over the age
26 of the beneficiary based on their ages on their birthdays in a
27 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
26 plus the excess of 70 over the age of the Member as of the
27 Member's birthday in the year that contains the Annuity

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

12 (e) Requirements For Minimum Distributions Where
13 Member Dies Before Date Distributions Begin.

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

23 (i) Unless the Annuity Starting Date is before the
24 first Distribution Calendar Year, the Life Expectancy of the
25 Designated Beneficiary determined using the beneficiary's age
26 as of the beneficiary's birthday in the calendar year

1 immediately following the calendar year of the Member's death;
2 or

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

8 (2) Member Survived by Designated Beneficiary and
9 5-Year Rule. At the election of the Member or, if no election
10 is made by the Member, then at the election of the Member's
11 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. This
16 Section 5.7(e) (2) will apply to all distributions.

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

24 (4) Death of Surviving Spouse Before Distributions
25 to Surviving Spouse Begin. If the Member dies before the date
26 distribution of his or her interest begins, the Member's
27 surviving spouse is the Member's sole Designated Beneficiary,

1 and the surviving spouse dies before distributions to the
2 surviving spouse begin, this Section 5.7(e) will apply as if
3 the surviving spouse were the Member, except that the time by
4 which distributions must begin will be determined without
5 regard to Section 5.7(b) (2) (i).

6 (f) Definitions.

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

18 (2) Designated Beneficiary. "Designated Beneficiary"
19 means the individual who is designated as the beneficiary
20 under Section 5.4 of the Plan and is the designated
21 beneficiary under IRC Section 401(a) (9) and Regulation Section
22 1.401(a) (9)-1, Q & A-4.

23 (3) Distribution Calendar Year. "Distribution
24 Calendar Year" means a calendar year for which a minimum
25 distribution is required. For distributions beginning before
26 the Member's death, the first Distribution Calendar Year is
27 the calendar year immediately preceding the calendar year

1 which contains the Member's Required Beginning Date. For
2 distributions beginning after the Member's death, the first
3 Distribution Calendar Year is the calendar year in which
4 distributions are required to begin pursuant to Section
5 5.7(b).

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

8 (i) A consumer price index that is based on prices
9 of all items (or all items excluding food and energy) and
10 issued by the Bureau of Labor Statistics, including an index
11 for a specific population (such as urban consumers or urban
12 wage earners and clerical workers) and an index for a
13 geographic area or areas (such as a given metropolitan area or
14 state); or

15 (ii) A percentage adjustment based on a
16 cost-of-living index described in Section 5.7(f)(4)(i) above,
17 or a fixed percentage, if less. In any year when the
18 cost-of-living index is lower than the fixed percentage, the
19 fixed percentage may be treated as an increase in an Eligible
20 Cost-of-Living Index, provided it does not exceed the sum of:

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

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

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

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

7 (6) Required Beginning Date. "Required Beginning
8 Date" means the April 1st of the calendar year following the
9 later of:

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

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

13 5.8 TIME OF SEGREGATION OR DISTRIBUTION

14 Except as otherwise provided herein, whenever the
15 Trustee is to make a distribution or to commence a series of
16 payments the distribution or series of payments may be made or
17 begun on such date or as soon thereafter as is practicable.

18 5.9 DIRECT ROLLOVERS

19 Except as otherwise specifically provided in this
20 Section 5.9, the provisions of this Section 5.9 shall be
21 effective as of January 1, 1993.

22 (a) Rollovers Generally.

23 (1) Notwithstanding any provision of the Plan to the
24 contrary that would otherwise limit a "distributee's" election
25 under this Section 5.9, a "distributee" may elect, at the time
26 and in the manner prescribed by the Pension Board, to have any
27 portion of an "eligible rollover distribution" that is equal

1 to at least \$200 paid directly to an "eligible retirement
2 plan" specified by the "distributee" in a "direct rollover."

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

5 (i) An "eligible rollover distribution" is any
6 distribution of all or any portion of the balance to the
7 credit of the "distributee," except that an "eligible rollover
8 distribution" does not include: any distribution that is one
9 of a series of substantially equal periodic payments (not less
10 frequently than annually) made for the life (or life
11 expectancy) of the "distributee" or the joint lives (or joint
12 life expectancies) of the "distributee" and the
13 "distributee's" "Designated Beneficiary," or for a specified
14 period of ten years or more; any distribution to the extent
15 such distribution is required under IRC Section 401(a)(9); the
16 portion of any other distribution that is not includible in
17 gross income (determined without regard to the exclusion for
18 net unrealized appreciation with respect to employer
19 securities); any hardship distribution; and any other
20 distribution that is reasonably expected to total less than
21 \$200 during a year.

22 Notwithstanding the above, with respect to
23 distributions made after December 31, 2001, a portion of a
24 distribution shall not fail to be an "eligible rollover
25 distribution" merely because the portion consists of aftertax
26 Employee contributions which are not includible in gross
27 income. However, such portion may be transferred only to an

1 individual retirement account or annuity described in IRC
2 Section 408(a) or (b), or to a qualified trust described in
3 IRC Section 401(a) or annuity contract described in IRC
4 Section 403(a) that agrees to separately account for amounts
5 so transferred, including separately accounting for the
6 portion of such distribution which is includible in gross
7 income and the portion of such distribution which is not so
8 includible.

9 (ii) With respect to distributions made after
10 December 31, 2001, an "eligible retirement plan" is an
11 individual retirement account described in IRC Section 408(a),
12 an individual retirement annuity described in IRC
13 Section 408(b), (other than an endowment contract), a
14 qualified trust described in IRC Section 401(a) which is
15 exempt from tax under IRC Section 501(a) that accepts the
16 distributee's eligible rollover distribution, an annuity plan
17 described in IRC Section 403(a), an eligible deferred
18 compensation plan described in IRC Section 457(b) which is
19 maintained by an eligible employer described in IRC
20 Section 457(e) (1) (A), and an annuity contract described in IRC
21 Section 403(b), that accepts the "distributee's" "eligible
22 rollover distribution."

23 (iii) A "distributee" includes an Employee or former
24 Employee. In addition, the Employee's or former Employee's
25 surviving spouse and the Employee's or former Employee's
26 spouse or former spouse who is the alternate payee under a
27 qualified domestic relations order, as defined in IRC

1 Section 414(p), are "distributees" with regard to the interest
2 of the spouse or former spouse.

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

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

6 (1) Notwithstanding the direct rollover provisions
7 in Section 5.9(a), for distributions after December 31, 2009,
8 in accordance with IRC Section 402(c)(11), a non-spouse
9 beneficiary who is a designated beneficiary (as defined in IRC
10 Section 401(a)(9)(E) and the Regulations thereunder), may, by
11 means of a direct trustee-to-trustee transfer, roll over all
12 or any portion of an eligible rollover distribution (as
13 defined in IRC Section 401(a)(31)) to an individual retirement
14 plan the designated beneficiary establishes for purposes of
15 receiving the distribution. If a non-spouse beneficiary
16 receives a distribution from the Plan, the distribution is not
17 eligible for a 60-day (non-direct) rollover.

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

23 (3) A non-spouse beneficiary may not roll over an
24 amount which is a required minimum distribution, as determined
25 under applicable Regulations and other Internal Revenue
26 Service guidance. If the Member dies before the Member's
27 required beginning date and the non-spouse beneficiary rolls

1 over to an individual retirement plan the maximum amount
2 eligible for rollover, the non-spouse beneficiary may elect to
3 use either the 5-year rule or the life expectancy rule,
4 pursuant to Regulation Section 1.401(a)(9)-3, A-4(c), in
5 determining the required minimum distributions from the
6 individual retirement plan that receives the non-spouse
7 beneficiary's distribution.

8 (c) Rollover to Roth IRA. For distributions made
9 after December 31, 2007, in accordance with IRC Section 408A,
10 a Member may elect to roll over directly an eligible rollover
11 distribution to a Roth IRA (as defined in IRC Section
12 408A(b)).

13 5.10 PARTICIPANT DISTRIBUTION NOTICE

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

18 (1) of the provisions under which the recipient may
19 have the distribution directly transferred to an eligible
20 retirement plan and that the automatic distribution by direct
21 transfer applies to certain distributions in accordance with
22 IRC Section 401(a)(31)(B);

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

26 (3) of the provisions under which the distribution
27 will not be subject to tax if transferred to an eligible

1 retirement plan within sixty (60) days after the date on which
2 the recipient received the distribution;

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

5 (5) of the provisions under which distributions from
6 the eligible retirement plan receiving the distribution may be
7 subject to restrictions and tax consequences which are
8 different from those applicable to distributions from the plan
9 making such distribution; and

10 (6) a description of the consequences of failing to
11 defer receipt of a distribution.

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

15 (1) The term "eligible rollover distribution" has
16 the same meaning as when used in IRC Section 402(c), IRC
17 Section 403(a) (4), IRC Section 403(b) (8) (A), or IRC Section
18 457(e) (16) (A). Such term shall include any distribution to a
19 designated beneficiary which would be treated as an eligible
20 rollover distribution by reason of IRC Section 402(c) (11), or
21 IRC Section 403(a) (4) (B), IRC Section 403(b) (8) (B), or IRC
22 Section 457(e) (16) (B), if the requirements of IRC Section
23 402(c) (11) were satisfied.

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

26 ARTICLE VI

27 IRC SECTION 415 LIMITATIONS

1 6.1 ANNUAL BENEFIT AND FINAL REGULATIONS UNDER IRC
2 SECTION 415

3 (a) Annual Benefit. For purposes of this Article,
4 "annual benefit" means the benefit payable annually under the
5 terms of the Plan (exclusive of any benefit not required to be
6 considered for purposes of applying the limitations of IRC
7 Section 415 to the Plan) payable in the form of a straight
8 life annuity with no ancillary benefits. If the benefit is
9 payable in any other form, the annual benefit shall be
10 adjusted to the equivalent of a straight life annuity pursuant
11 to Section 6.3(c).

12 (b) Final Regulations Under IRC Section 415.
13 Notwithstanding anything in this Article to the contrary, the
14 following provisions apply beginning on or after January 1,
15 1976, except as otherwise provided in this Article.

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

1 alternative option was available under statutory provisions,
2 Regulations, and other published guidance relating to IRC
3 Section 415 as in effect prior to April 5, 2007, and the Plan
4 provisions in effect as of April 5, 2007, incorporated the
5 alternative option, said alternative option shall remain in
6 effect as a Plan provision for limitation years beginning on
7 or after July 1, 2007, unless another permissible option is
8 selected herein.

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

23 (3) Adjustment to Dollar Limit After Date of
24 Severance. In the case of a Member who has had a severance
25 from employment with the County, the defined benefit dollar
26 limitation applicable to the Member in any limitation year

1 beginning after the date of severance shall automatically be
2 adjusted under IRC Section 415(d).

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

9 6.2 MAXIMUM ANNUAL BENEFIT

10 (a) Notwithstanding the foregoing and subject to the
11 exceptions and adjustments below, effective for limitation
12 years ending after December 31, 2001, the annual benefit
13 otherwise payable to a Member under the Plan at any time shall
14 not exceed the maximum annual benefit, and if the benefit a
15 Member would otherwise accrue in a limitation year would
16 produce an annual benefit in excess of the maximum annual
17 benefit, the benefit shall be limited (or the rate of accrual
18 reduced) to a benefit that does not exceed the maximum annual
19 benefit. The maximum annual benefit payable to a Member under
20 the Plan in any limitation year shall equal the "defined
21 benefit dollar limitation." The "defined benefit dollar
22 limitation" is \$160,000, as adjusted, effective January 1 of
23 each year, under IRC Section 415(d) in such manner as the
24 Secretary shall prescribe, and payable in the form of a
25 straight life annuity. Such dollar limitation as adjusted
26 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.

26 (d) For the purpose of this Article, all qualified
27 defined benefit plans (whether terminated or not) ever

1 maintained by the County shall be treated as one defined
2 benefit plan.

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

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

22 (f) Notwithstanding anything contained in this
23 Article to the contrary, the limitations, adjustments, and
24 other requirements prescribed in this Article shall at all
25 times comply with the provisions of IRC Section 415 and the
26 Regulations thereunder.

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

12 6.3 ADJUSTMENTS TO ANNUAL BENEFIT AND LIMITATIONS

13 (a) Adjustment if Fewer than Ten (10) Years.

14 Effective for limitation years ending after December 31, 2001,
15 if a Member has fewer than ten (10) years of participation in
16 the Plan, then the defined benefit dollar limitation of
17 Section 6.2(a) shall be multiplied by a fraction, (1) the
18 numerator of which is the number of years (or part thereof) of
19 participation in the Plan, and (2) the denominator of which is
20 ten (10). However, in no event shall such fraction be less
21 than 1/10th. Notwithstanding the foregoing, no adjustment
22 shall be made to the defined benefit dollar limitation for a
23 distribution on account of a Member becoming disabled by
24 reason of personal injuries or sickness, or as a result of the
25 death of a Member.

26 For purposes of this Section 6.3(a), a "year of
27 participation" means each accrual computation period for which

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

16 (b) Adjustment of Defined Benefit Dollar Limitation
17 for Commencement Before Age 62. Effective for benefits
18 commencing in limitation years ending after December 31, 2001,
19 the defined benefit dollar limitation shall be adjusted if the
20 Annuity Starting Date of the Member's benefit is before age
21 62.

22 (1) Limitation Years Beginning Before July 1, 2007.
23 If the Annuity Starting Date for the Member's benefit is prior
24 to age 62 and occurs in a limitation year beginning before
25 July 1, 2007, the defined benefit dollar limitation for the
26 Member's Annuity Starting Date is the annual amount of a
27 benefit payable in the form of a straight life annuity

1 commencing at the Member's Annuity Starting Date that is the
2 actuarial equivalent of the defined benefit dollar limitation
3 with actuarial equivalence computed using whichever of the
4 following produces the smaller annual amount: (i) the
5 applicable interest rate and applicable mortality table (or
6 other tabular factor) as defined in IRC Section 417(e) (3); or
7 (ii) a 5% interest rate assumption and the applicable
8 mortality table as defined in IRC Section 417(e) (3).

9 (2) Limitation Years Beginning On or After July 1,
10 2007.

11 (i) Plan Does Not Have Immediately Commencing
12 Straight Life Annuity Payable at Both Age 62 and the Age of
13 Benefit Commencement. If the Annuity Starting Date for the
14 Member's benefit is prior to age 62 and occurs in a limitation
15 year beginning on or after July 1, 2007, and the Plan does not
16 have an immediately commencing straight life annuity payable
17 at both age 62 and the age of benefit commencement, the
18 defined benefit dollar limitation for the Member's Annuity
19 Starting Date is the annual amount of a benefit payable in the
20 form of a straight life annuity commencing at the Member's
21 Annuity Starting Date that is the actuarial equivalent of the
22 defined benefit dollar limitation with actuarial equivalence
23 computed using a 5% interest rate assumption and the
24 applicable mortality table under Regulation Section
25 1.417(e)-1(d) (2) (or the applicable mortality table as
26 required by law) that is effective for that Annuity Starting

1 Date (and expressing the Member's age based on completed
2 calendar months as of the Annuity Starting Date).

3 (ii) Plan Has Immediately Commencing Straight Life
4 Annuity Payable at Both Age 62 and the Age of Benefit
5 Commencement. If the Annuity Starting Date for the Member's
6 benefit is prior to age 62 and occurs in a limitation year
7 beginning on or after July 1, 2007, and the Plan has an
8 immediately commencing straight life annuity payable at both
9 age 62 and the age of benefit commencement, the defined
10 benefit dollar limitation for the Member's Annuity Starting
11 Date is the lesser of the limitation determined under Section
12 6.3(b)(2)(i) above and the defined benefit dollar limitation
13 multiplied by the ratio of the annual amount of the
14 immediately commencing straight life annuity under the Plan at
15 the Member's Annuity Starting Date to the annual amount of the
16 immediately commencing straight life annuity under the Plan at
17 age 62, both determined without applying the limitations of
18 this Article.

19 (3) Mortality Adjustments. Notwithstanding the other
20 requirements of this Section 6.3(b), no adjustment shall be
21 made to the defined benefit dollar limitation to reflect the
22 probability of a Member's death between the Annuity Starting
23 Date and age 62 if benefits are not forfeited upon the death
24 of the Member prior to the Annuity Starting Date. To the
25 extent benefits are forfeited upon death before the Annuity
26 Starting Date, such an adjustment shall be made. For this
27 purpose, no forfeiture shall be treated as occurring upon the

1 Member's death if the Plan does not charge Members for
2 providing a qualified preretirement survivor annuity, as
3 defined in IRC Section 417(c), upon the Member's death.

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

7 (i) Qualified Participants. Pursuant to IRC Section
8 415(b)(2)(G) and (H), no age adjustment is made to the defined
9 benefit dollar limitation for commencement before age 62 for
10 any "qualified participant." For this purpose, a "qualified
11 participant" is a participant in a defined benefit plan that
12 is maintained by a state or any political subdivision of a
13 state with respect to whom the service taken into account in
14 determining the amount of the benefit under the defined
15 benefit plan includes at least fifteen (15) years of service
16 of the participant as a full-time employee of any police
17 department or fire department that is organized and operated
18 by the state or political subdivision maintaining such defined
19 benefit plan to provide police protection, firefighting
20 services, or emergency medical services for any area within
21 the jurisdiction of such state or political subdivision, or as
22 a member of the Armed Forces of the United States.

23 (ii) Survivor and Disability Benefits. Pursuant to
24 IRC Section 415(b)(2)(I), no age adjustment is made to the
25 defined benefit dollar limitation for commencement before age
26 62 for a distribution from the Plan on account of a Member

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

3 (c) Actuarial Equivalence of Forms of Benefit Other
4 Than a Straight Life Annuity. Effective for distributions in
5 Plan Years beginning after December 31, 2003, the
6 determination of actuarial equivalence of forms of benefit
7 other than a straight life annuity shall be made in accordance
8 with (1) or (2) below.

9 (1) Benefit Forms Not Subject to IRC Section
10 417(e)(3). The straight life annuity that is actuarially
11 equivalent to the Member's form of benefit shall be determined
12 under this Section 6.3(c)(1) if the form of the Member's
13 benefit is either (a) a nondecreasing annuity (other than a
14 straight life annuity) payable for a period of not less than
15 the life of the Member (or, in the case of a qualified
16 pre-retirement survivor annuity, the life of the surviving
17 spouse), or (b) an annuity that decreases during the life of
18 the Member merely because of (A) the death of the survivor
19 annuitant (but only if the reduction is not below 50% of the
20 benefit payable before the death of the survivor annuitant),
21 or (B) the cessation or reduction of Social Security
22 supplements or qualified disability payments (as defined in
23 IRC Section 401(a)(11)).

24 (i) Limitation Years Beginning Before July 1, 2007.
25 For limitation years beginning before July 1, 2007, the
26 actuarially equivalent straight life annuity is equal to the
27 annual amount of the straight life annuity commencing at the

1 same Annuity Starting Date that has the same actuarial present
2 value as the Member's form of benefit computed using whichever
3 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) 5% interest rate assumption and the applicable
8 mortality table as defined in IRC Section 417(e) (3).

9 (ii) Limitation Years Beginning On or After July 1,
10 2007. For limitation years beginning on or after July 1, 2007,
11 the actuarially equivalent straight life annuity is equal to
12 the greater of:

13 (A) the annual amount of the straight life annuity
14 (if any) payable to the Member under the Plan commencing at
15 the same Annuity Starting Date as the Member's form of
16 benefit; or

17 (B) the annual amount of the straight life annuity
18 commencing at the same Annuity Starting Date that has the same
19 actuarial present value as the Member's form of benefit,
20 computed using a 5% interest rate assumption and the
21 applicable mortality table as described in Regulation Section
22 1.417(e)-1(d) (2) (or the applicable mortality table as
23 required by law) for that Annuity Starting Date.

24 (2) Benefit Forms Subject to IRC Section 417(e) (3).
25 The straight life annuity that is actuarially equivalent to
26 the Member's form of benefit shall be determined under this
27 Section 6.3(c) (2) if the form of the Member's benefit is other

1 than a benefit form described in Section 6.3(c)(1) above. In
2 this case, the actuarially equivalent straight life annuity
3 shall be determined as follows:

4 (i) Annuity Starting Date in Plan Years Beginning
5 After 2005. If the Annuity Starting Date of the Member's form
6 of benefit is in a Plan Year beginning after 2005, the
7 actuarially equivalent straight life annuity is equal to the
8 greatest of:

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

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

20 (C) the annual amount of the straight life annuity
21 commencing at the same Annuity Starting Date that has the same
22 actuarial present value as the Member's form of benefit,
23 computed for the distribution under Regulation Section
24 1.417(e)-1(d)(3) (or the applicable interest rate as required
25 by law) and the applicable mortality table for the
26 distribution under Regulation Section 1.417(e)-1(d)(2) (or the

1 applicable mortality table as required by law), divided by
2 1.05.

3 (ii) Annuity Starting Date in Plan Years Beginning
4 in 2004 or 2005. If the Annuity Starting Date of the Member's
5 form of benefit is in a Plan Year beginning in 2004 or 2005,
6 the actuarially equivalent straight life annuity is equal to
7 the annual amount of the straight life annuity commencing at
8 the same Annuity Starting Date that has the same actuarial
9 present value as the Member's form of benefit, computed using
10 whichever of the following produces the greater annual amount:

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

14 (B) a 5.5% interest rate assumption and the
15 applicable mortality table for the distribution under
16 Regulation Section 1.417(e)-1(d) (2) (or the applicable
17 mortality table as required by law).

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

22 (e) For purposes of Section 6.1, no actuarial
23 adjustment to the benefit is required for (1) the value of a
24 qualified joint and survivor annuity, (2) ancillary benefits
25 that are not directly related to retirement benefits (such as
26 a qualified disability benefit, preretirement death benefits,
27 and postretirement medical benefits), and (3) the value of

1 postretirement cost-of-living increases made in accordance
2 with IRC Section 415(d) and Regulation Section
3 1.415-3(c)(2)(iii). The annual benefit does not include any
4 benefits attributable to employee contributions or rollover
5 contributions, or the assets transferred from a qualified plan
6 that was not maintained by the County.

7 6.4 ANNUAL BENEFIT NOT IN EXCESS OF \$10,000

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

23 However, if a Member has fewer than ten (10) years
24 of service with the County, then the \$10,000 threshold of the
25 previous paragraph shall be multiplied by a fraction, (1) the
26 numerator of which is the number of years (or part thereof) of
27 service with the County and (2) the denominator of which is

1 ten (10). However, in no event shall such fraction be less
2 than 1/10th.

3 6.5 PURCHASE OF PERMISSIVE SERVICE CREDIT

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

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

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

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

24 (1) more than five (5) years of nonqualified service
25 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
26 Government of the United States, any State or political
27 subdivision thereof, or any agency or instrumentality of any

1 of the foregoing (other than military service or service for
2 credit which was obtained as a result of a repayment described
3 in IRC Section 415(k)(3));

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

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

13 (iv) military service (other than Qualified Military
14 Service) recognized by the Plan.

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

20 (d) Special Rules for Trustee-to-Trustee Transfers.
21 In the case of a trustee-to-trustee transfer to which IRC
22 Section 403(b)(13)(A) or 457(e)(17)(A) applies (without regard
23 to whether the transfer is made between plans maintained by
24 the same employer)

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

1 (2) the distribution rules applicable to the defined
2 benefit governmental plan to which any amounts are so
3 transferred shall apply to such amounts and any benefits
4 attributable to such amounts.

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

17 6.6 ANNUAL BENEFIT ATTRIBUTABLE TO MANDATORY
18 EMPLOYEE CONTRIBUTIONS

19 (a) Effective for limitation years beginning on and
20 after December 31, 2001, in the case of "mandatory employee
21 contributions" as defined in IRC Section 411(c)(2)(C) and
22 Regulation Section 1.411(c)-1(c)(4) (or contributions that
23 would be mandatory employee contributions if IRC Section 411
24 applied to the Plan), the annual benefit attributable to such
25 mandatory employee contributions is determined by applying the
26 factors applicable to mandatory employee contributions as
27 described in IRC Section 411(c)(2)(B) and (C) and Regulations

1 promulgated under IRC Section 411 to those contributions to
2 determine the amount of a straight life annuity commencing at
3 the Annuity Starting Date, regardless of whether the
4 requirements of IRC Sections 411 and 417 apply.

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

16 6.7 QUALIFIED SECTION 415(M) PLAN

17 In order to yield the maximum benefit specified
18 under this Act, without regard to the IRC Section 415
19 limitations, a qualified plan under IRC Section 415(m) shall
20 be established by the Pension Board in order to provide any
21 additional benefit needed to, in the aggregate, yield such
22 maximum benefit. Any IRC 415(m) plan established by the
23 Commission or Pension Board prior to the effective date of
24 this Act is hereby ratified, validated and confirmed. The
25 Pension Board shall be authorized to establish, modify or
26 replace any IRC 415(m) plan, or other plan as may hereinafter
27 be authorized by federal law, in order to provide any

1 additional benefit needed to, in the aggregate, yield such
2 maximum benefit.

3 ARTICLE VII

4 AMENDMENTS AND BENEFIT ENHANCEMENTS

5 7.1 AMENDMENTS

6 (a) The Pension Board shall have the right at any
7 time to amend the Plan, subject to the limitations of this
8 Section 7.1. Any such amendment must be consistent with the
9 Act, any other legislation relating to the System, or
10 consistent with other authority granted to the Pension Board.
11 Additionally, in the event that the Alabama Legislature amends
12 the Act or makes other statutory changes that impact the terms
13 of the Plan, the Pension Board shall cause the Plan to be
14 amended as necessary to reflect such legislation. The Pension
15 Board, and each of its individual members, when acting in its
16 or their official capacity, shall be immune from civil
17 liability against the claims of any individual, Member or
18 other entity of any nature whatsoever arising out of the
19 Pension Board's or its members' administration of the Plan or
20 related to its decisions or actions, which decisions or
21 actions were made in good faith, without malice, and
22 predicated upon information that was then available to the
23 Pension Board.

24 (b) As determined by the Pension Board or by
25 legislative act, any change in the "pension rate" (as
26 described below) may apply to all pensions payable under the
27 Plan, including pensions granted prior to the effective date

1 of the change in the pension rate. This Section 7.1(b) shall
2 apply whether such change results in the pension benefit being
3 increased or decreased. Accordingly, any increase or decrease
4 in the pension rate may be applicable not only to persons who
5 have not yet begun to receive their pension benefits, but also
6 to persons who have begun receiving their pensions benefits. A
7 change in the pension rate means any modification to the
8 definition of Basic Average Salary or other change to the
9 formula for determining the amount of a pension benefit.

10 (c) Any amendment which affects the rights, duties
11 or responsibilities of the Trustee may only be made with the
12 Trustee's written consent. Any such amendment shall become
13 effective as provided therein upon its execution. The Trustee
14 shall not be required to execute any such amendment unless the
15 amendment affects the duties of the Trustee hereunder.

16 (d) Except as otherwise specifically provided for
17 herein, no amendment to the Plan shall be effective if it
18 authorizes or permits any part of the Trust Fund (other than
19 such part as is required to pay taxes and administration
20 expenses) to be used for or diverted to any purpose other than
21 for the exclusive benefit of the Members or their
22 Beneficiaries or estates.

23 7.2 BENEFIT ENHANCEMENTS

24 Specifically, but not in limitation of the Pension
25 Board's authority to amend the Plan as set forth in Section
26 7.1 above, the Pension Board may amend the Plan to increase or

1 enhance Member benefits, provided that such benefit increases
2 or enhancements have been:

3 (a) approved by resolution of the Commission;

4 (b) certified in a written opinion by a competent
5 actuary that the Trust Fund and the anticipated receipts and
6 liabilities are sufficient to pay for said increase or
7 enhancement;

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

10 (d) considered at a public meeting.

11 In no event shall a Member be entitled to any
12 benefit increase or enhancement (including any cost of living
13 increase).

14 ARTICLE VIII

15 PLAN TERMINATION

16 8.1 TERMINATION

17 In the event that the Alabama Legislature takes
18 appropriate action to terminate the Plan, or in the event of a
19 partial termination of the Plan, all amounts shall be
20 allocated in accordance with the provisions hereof and the
21 accrued benefit, to the extent funded as of such date, of each
22 affected Member shall become fully Vested and shall not
23 thereafter be subject to forfeiture. However, Members who were
24 not fully Vested at the time they received a complete
25 distribution of their Vested benefits prior to the date of
26 termination, shall not become entitled to any additional
27 Vested benefits on account of Plan termination. The preceding

1 sentence does not apply to Members affected by a partial
2 termination by operation of law. Upon full termination of the
3 Plan, the County shall direct the distribution of the assets
4 in the Trust Fund to the Members. In such case, the Trustee
5 shall distribute the assets to the remaining Members in the
6 Plan and to retired Members in cash or through the purchase of
7 irrevocable deferred commitments from an insurer, subject to
8 provision for expenses of administration or liquidation. Such
9 distributions shall be allocated in such order as set forth by
10 the Alabama Legislature, or by the Pension Board to the extent
11 the Pension Board receives such authorization, to the extent
12 of the sufficiency of such assets, basing such allocation on
13 the accrued benefit for each such Member at the date of
14 termination of the Plan.

15 ARTICLE IX

16 MISCELLANEOUS

17 9.1 MERGER, CONSOLIDATION OR TRANSFER OF ASSETS

18 (a) This Plan can be merged or consolidated with any
19 other qualified plan or its assets or liabilities transferred
20 to any other qualified plan as determined by the Alabama
21 Legislature or the County.

22 (b) A Member, with the approval of the Pension
23 Board, may elect to transfer, in cash, amounts from his or her
24 account under a IRC Section 457(b) plan in accordance with
25 such rules and regulations as the Pension Board may establish
26 from time to time. Unless otherwise determined by the Pension
27 Board, any such amounts transferred from a IRC Section 457(b)

1 plan shall be treated as Employee Contributions for purposes
2 of the Plan.

3 9.2 MEMBER'S RIGHTS

4 The Plan shall not be deemed to constitute a
5 contract between the County and any Member or to be a
6 consideration or an inducement for the employment of any
7 Member or Employee. Nothing contained in the Plan shall be
8 deemed to give any Member or Employee the right to be retained
9 in the service of the County or to interfere with the right of
10 the County to discharge any Member or Employee at any time
11 regardless of the effect which such discharge shall have upon
12 the Employee as a Member of this Plan. No provisions herein
13 shall be construed to bestow upon any Member or any other
14 person any vested right to benefits, return of Employee
15 Contributions or any other valuable interest hereunder. No
16 implied contract for benefits shall be held to arise
17 hereunder, either before or after retirement.

18 9.3 CONSTRUCTION OF PLAN

19 The Plan shall be construed and enforced according
20 to the Code, the Act and the laws of the State of Alabama,
21 other than its laws respecting choice of law. In the event of
22 any discrepancy between the terms of the Plan or the Act and
23 those of applicable Federal law, Federal law shall apply.

24 9.4 GENDER AND NUMBER

25 Wherever any words are used herein in the masculine,
26 feminine or neuter gender, they shall be construed as though
27 they were also used in another gender in all cases where they

1 would so apply, and whenever any words are used herein in the
2 singular or plural form, they shall be construed as though
3 they were also used in the other form in all cases where they
4 would so apply.

5 9.5 PROHIBITION AGAINST DIVERSION OF FUNDS

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

25 (b) In the event that the County shall make an
26 excessive contribution under a mistake of fact, the Pension
27 Board, or its agent, may demand repayment of such excessive

1 contribution, and the Trustees shall return such amount,
2 adjusted for any income or loss in value so long as such
3 amount is returned within one (1) year of the date of the
4 mistaken contribution. Notwithstanding the immediately
5 preceding sentence, any such return shall be limited to an
6 amount that, in the judgment of the Pension Board, would not
7 cause the System to become actuarially unsound.

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

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

22 (e) Subject to applicable law, if the Board finds
23 that a Member's service is terminated by resignation or
24 discharge, or otherwise, as a consequence of such Member's
25 dishonesty in handling the monies or property of the County or
26 any department thereof, the Member shall not be entitled to
27 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
26 any construction of the provisions hereof. If, for any reason,
27 any clause, sentence, subsection, or section or provision of

1 the Plan, or the application thereof, to any person, body,
2 situation, or circumstance is held invalid or inoperative, the
3 remainder of the Plan and the application thereof to any other
4 person, body, situation, or circumstance shall not be affected
5 thereby.

6 9.9 UNIFORMITY

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

9 Section 3. All non-Federal laws or parts of
10 non-Federal laws which conflict with this Act are repealed,
11 specifically Acts 1965, No. 497, 1965 Regular Session (Acts
12 1965, p. 717); Acts 1967, No. 408, 1967 Regular Session (Acts
13 1967, p. 1034); Acts 1969, No. 828, 1969 Regular Session (Acts
14 1969, p. 1507); Acts 1969, No. 952, 1969 Regular Session (Acts
15 1969, p. 1685); Acts 1969, No. 956, 1969 Regular Session (Acts
16 1969, p. 1693); Acts 1971, No. 804, 1971 Regular Session (Acts
17 1971, p. 1552); Acts 1975, No. 926, 1975 Regular Session (Acts
18 1975, p. 1838); Acts 1977, No. 690, 1977 Regular Session (Acts
19 1977, p. 1208); Acts 1978, No. 475, 1978 Regular Session (Acts
20 1978, p. 513); Act 79-239, 1979 Regular Session (Acts 1979, p.
21 365); Act 80-772, 1980 Regular Session (Acts 1980, p. 1602);
22 Act 80-773, 1980 Regular Session (Acts 1980, p. 1606); Act
23 81-1060, 1980 2nd Special Session (Acts 1980, p. 305); Act
24 82-87, 1982 Regular Session (Acts 1982, p. 111); Act 82-265,
25 1982 Regular Session (Acts 1982, p. 335); Act 82-504, 1982
26 Regular Session (Acts 1982, p. 835); Act 85-806, 1985 2nd
27 Special Session (Acts 1985, p. 62); Act 85-807, 1985 2nd

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

15 Section 4. This act shall become effective
16 immediately following its passage and approval by the
17 Governor, or its otherwise becoming law.