

**RETIREMENT PLAN FOR THE
EMPLOYEES OF THE CITY OF
TIFTON, GEORGIA
RULES AND REGULATIONS**

As Amended and Restated Effective July 1, 2008

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ARTICLE I

INTRODUCTION; DEFINITIONS; PARTICIPATION

1.1 INTRODUCTION

The purpose of this Retirement Plan is to set forth the rules and regulations concerning eligibility and amount of benefits which will be payable to eligible Employees, their families, and dependents from the Trust. The Retirement Plan shall be known as the RETIREMENT PLAN FOR THE EMPLOYEES OF THE CITY OF TIFTON, GEORGIA. This Plan is a continuation of the plan originally adopted effective the 1st day of January, 1970 and subsequently amended. The Plan is hereby amended and restated effective July 1, 2008 except to the extent an earlier or later effective date is expressly provided for with respect to a particular provision hereof. Unless otherwise stated with respect to a particular provision hereof, the provisions of this Plan, as so amended and restated, shall apply only to an Employee in Covered Service on or after the applicable effective date. Any retired Employee receiving benefits prior to July 1, 2008 and any former Employee who terminated Covered Service prior to July 1, 2008 shall have his rights to benefits determined under the Plan as in effect when his Covered Service terminated and shall not be entitled to any additional benefits under the amended and restated Plan as set forth herein unless the Plan Administrator specifically provides otherwise.

Notwithstanding the foregoing, an Employee who entered full-time employment with the City prior to July 1, 2008 may irrevocably elect prior to such date to be treated for all purposes under the Plan as if he had entered full-time employment with the City on or after July 1, 2008 except that such an Employee will receive Covered Service and Compensation credit for the period prior to July 1, 2008 in accordance with the terms of the plan as in effect prior to July 1, 2008.

1.2 DEFINITIONS

(A) The following words and phrases shall have the meanings stated below unless a different meaning is plainly required by the context:

- (1) The term "Accumulated Contributions" as used herein shall mean, with respect to each Employee, the total of his Employee Contributions together with interest thereon. As of any determination date, Accumulated Contributions shall be equal to the sum of (a) plus (b), where (a) and (b) are defined as follows:

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- (a) The Employee's Accumulated Contributions as of the close of the immediately preceding Plan Year increased with interest at the rate of 4% per annum to the determination date; and
 - (b) The Employee Contributions made during the Plan Year that includes the determination date.
- (2) The terms "Actuarial Equivalent" or "Actuarially Equivalent" as used herein shall mean equality in value of the aggregate amounts expected to be received under different forms of payment. Actuarially Equivalent amounts will be determined by discounting benefit payments for mortality and interest based on the following:
- (a) Interest: 7.00% per annum, compounded annually.
 - (b) Mortality: For determinations prior to July 1, 2006, the mortality rates set forth in the 1984 Uninsured Pensioner (UP-84) Mortality Table and, for determinations after June 30, 2006, a 50%/50% blend of the male and female mortality rates set forth in the 1994 Group Annuity Reserving Table; provided, however, no mortality will be assumed prior to the date as of which benefit payments commence.
- (3) The term "Average Monthly Compensation" as used herein shall mean an Employee's average monthly Compensation from the Employer during the period of 60 whole calendar months of Covered Service which gives rise to the highest such average; provided, however, if an Employee has not been employed continuously in Covered Service, his separate periods of Covered Service will be aggregated for purposes of this Paragraph 1.2(A)(3) as if he had been employed in Covered Service continuously during such aggregated period and, further provided, if an Employee's aggregated period of Covered Service is less than 60 whole calendar months as of his date of employment termination, his Average Monthly Compensation will be determined as his average monthly Compensation for his entire period of Covered Service.
- (4) The term "Break-in-Service" as used herein shall mean a period during which an Employee or former Employee does not earn Covered Service. Solely for purposes of determining whether a Break-in-Service has occurred, an Employee who is absent from work for maternity or paternity reasons shall receive up to one year of credit for the service which would otherwise have been credited to such individual but for such absence. For purposes of this paragraph, an absence from work for maternity or paternity reasons means an absence:
- by reason of the pregnancy of the individual,
 - by reason of the birth of a child of the individual,

- by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or
- for purposes of caring for such child for a period beginning immediately following such birth or placement.

Also solely for purposes of determining whether a Break-in-Service has occurred, an Employee who is absent from work for either of the following reasons set forth in Subparagraphs 1.2(A)(4)(a) and 1.2(A)(4)(b) below shall receive credit for the service which would otherwise have been credited to such individual but for such absence:

- (a) Qualified Military Service or Qualified Uniformed Service, to the extent that Covered Service is not granted for such Qualified Military Service or Qualified Uniformed Service; and
- (b) an authorized leave of absence pursuant to the Family and Medical Leave Act of 1993.

An Employee, other than an Employee who is an Elected Official, who incurs a Break-in-Service will lose his total Covered Service earned to date in accordance with the provisions of Subsection 2.3(A) herein.

- (5) The term "City" as used herein shall mean the City of Tifton, Georgia.
- (6) The terms "Code" or "IRC" as used herein shall mean the Internal Revenue Code of 1986, including any amendments or any reenactment or restatement thereto.
- (7) The term "Compensation" as used herein shall mean the basic salary or wage paid to the Employee by the Employer which is subject to withholding for purposes of federal income taxes plus elective contributions to any retirement plan sponsored by the City which are not subject to such withholding; provided, however, Compensation will not include:
 - (a) wages paid for work in excess of the "standard work week" with respect to Employees other than Elected Officials;
 - (b) overtime pay;
 - (c) expense allowances;
 - (d) both cash and non-cash fringe benefits;
 - (e) moving expenses;

- (f) welfare benefits; nor
- (g) any other irregular or special compensation payments other than bonuses.

For purposes of this Paragraph 1.2(A)(7), “standard work week” means:

- (h) 40 hours for all full-time employees other than those employees described in Subparagraphs 1.2(A)(7)(i), 1.2(A)(7)(j), 1.2(A)(7)(k), and 1.2(A)(7)(l) below;
- (i) 37.23 hours for all firefighter employees;
- (j) for all police patrol employees, 39.6 hours for the period prior to June 25, 2007 and 80 hours on a bi-weekly basis thereafter;
- (k) 42 hours for all police school resource officers; and
- (l) 80 hours on a bi-weekly basis for the police department records clerk.

With respect to those Employees who are entitled to recognition of their County service pursuant to the provisions of Subparagraph 1.2(A)(10)(d) herein, Compensation will also include compensation paid by the County during the course of employment with the County in the same manner as if such compensation had been paid by the City instead.

For purposes of Section 3.5, Compensation shall mean compensation as that term is used in Section 415(b)(3) of the Code.

In addition to other applicable limitations set forth in the Plan and notwithstanding any other provisions of the Plan to the contrary, for Plan Years beginning on or after January 1, 1994, the annual Compensation of each Employee taken into account under the Plan shall not exceed the “OBRA ‘93 annual compensation limit”. The “OBRA ‘93 annual compensation limit” is \$150,000 for determination periods beginning prior to January 1, 2002 and is \$200,000 for determination periods beginning on or after January 1, 2002, both as adjusted by the Commissioner for increases in the cost of living in accordance with section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding 12 months, over which Compensation is determined (determination period) beginning in such calendar year. If a determination period consists of fewer than 12 months, the “OBRA ‘93 annual compensation limit” will be multiplied by a fraction, the numerator of which is the number of months in the determination period and the denominator of which is 12. For Plan Years beginning on or after January 1, 1994, any reference in this Plan to the limitation under section 401(a)(17) of the

Code shall mean the "OBRA '93 annual compensation limit" set forth in this provision.

If Compensation for any prior determination period is taken into account in determining an Employee's benefits accruing in the current Plan Year, the compensation for that prior determination period is subject to the OBRA '93 annual compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first Plan Year beginning on or after January 1, 1994, the OBRA '93 annual compensation limit is \$150,000.

- (8) The term "County" as used herein shall mean Tift County, Georgia.
- (9) The term "County Plan" as used herein shall mean the Tift County Defined Benefit Plan or its predecessors and successors.
- (10) The term "Covered Service" as used herein shall mean any full-time employment other than seasonal or temporary employment during which the Employee has been employed by the Employer and Covered Service will be calculated as the years and completed days of such employment; provided, however, that the determination of Covered Service will be subject to the following additional rules:
 - (a) With respect to Employees who are Elected Officials, Covered Service will be equal to the number of calendar years that include any portion of the Elected Official's tenure.
 - (b) For purposes of determining an Employee's Covered Service, accumulated unused sick leave will be converted into additional years of Covered Service by dividing the Employee's number of days of unused sick leave by 261; provided, however, that Employees who enter full-time employment with the City on or after July 1, 2008 will receive Covered Service for only one-half of their accumulated unused sick leave.
 - (c) Covered Service will also include Qualified Military Service and Qualified Uniformed Service credited pursuant to the provisions of Paragraph 1.2(A)(21) herein.
 - (d) Effective July 1, 2004, solely with respect to those Employees who transfer from employment with the County to employment with the City pursuant to a fully executed "Interlocal Agreement," such Employees will receive additional Covered Service for their prior period of employment with the County, provided that such credit will only be granted if the Employee provides to the Plan Administrator such information as is necessary in the Plan Administrator's sole discretion to determine the benefits, if any,

payable to the Employee from the County Plan with respect to the same period of service. The additional Covered Service to be granted will be equal to the Covered Service that would otherwise be granted as if the Employees had been employed by the City during their period of County employment.

- (11) The term "Elected Official" as used herein shall mean any member of the City Council, elected or appointed, and any other City official, elected or appointed.
- (12) The term "Eligible Spouse" as used herein shall mean the husband or wife to whom the Employee was married for at least one year prior to the earlier of the date payment of the Employee's Retirement Income commences or the Employee's date of death.
- (13) The terms "Employee" or "Employees" as used herein shall mean:
 - (a) any full-time employee of the Employer other than a seasonal or temporary employee;
 - (b) any full-time or part-time employee of the Employer who is a custodian who was hired prior to July 1, 2008 and whose participation in this Plan was provided for by the terms of an informal agreement; and
 - (c) any Elected Official whose tenure includes a portion of at least three calendar years.
- (14) The term "Employee Contribution" as used herein shall mean the contribution deducted from the Compensation of each participating Employee in accordance with the following provisions:
 - (a) Effective July 1, 2008, those Employees who enter full-time employment with the City on or after that date shall contribute 5% of Compensation; and
 - (b) The Employee Contributions described in this Paragraph 1.2(A)(14) shall be deemed to be "picked-up" by the City and shall be treated as paid by the City in lieu of contributions by Employees in accordance with the requirements of Code section 414(h)(2).
- (15) The term "Employer" as used herein shall mean the City, a Georgia governmental entity.
- (16) The term "Normal Form of Payment" as used herein shall mean a monthly Retirement Income payable until the death of the Pensioner receiving such monthly Retirement Income.

- (17) The term "Participant" as used herein shall mean any individual who participates in the Plan as provided in Section 1.3.
- (18) The term "Pensioner" as used herein shall mean a person who is actively receiving pension benefits under this Retirement Plan either as a former Employee or as the beneficiary of a former Employee.
- (19) The term "Plan Administrator" as used herein shall mean the Employer or an individual or individuals or committee of individuals duly designated by the Employer for the purpose of conducting the day-to-day activities of the Plan and its associated Trust Fund pursuant to City Ordinances 84-13, 93-25, and 2005-000C, or such subsequent Ordinances as are applicable for this purpose.
- (20) The term "Plan Year" as used herein shall mean any 12-month period from January 1st through December 31st prior to January 1, 2005; the six-month period from January 1, 2005 through June 30, 2005; and any 12-month period from July 1st through June 30th after June 30, 2005; provided, however, that the first Plan Year shall be the period January 1, 1970 through December 31, 1970.
- (21) The terms "Qualified Military Service" and "Qualified Uniformed Service" as used herein shall include:
- (a) For reemployments from Military Service prior to December 12, 1994,
 - (i) The term "Military Service" shall mean the period of an Employee's active duty for training and service in the Army, Navy, Air Force, or Marines of the United States of America (or Reserve or National Guard components thereof).
 - (ii) Such Military Service shall be "Qualified Military Service" only if:
 - (A) The Employee was employed in Covered Service immediately preceding the Military Service;
 - (B) The Employee reapplied for Covered Service within 90 days after the Employee was relieved from Military Service (or from hospitalization continuing after discharge for a period of not more than one year); and
 - (C) The period of Military Service did not exceed four years or four years plus one additional year (if the service in excess of four years is after August 1, 1961 and is at the request and convenience of the Federal Government).

- (b) For reemployments from Uniformed Service on or after December 12, 1994,
 - (i) The term "Uniformed Service" shall mean the period of an Employee's active duty for training and service in the Army, Navy, Air Force, Marines, or Coast Guard of the United States of America (or any Reserve or National Guard components thereof when engaged in active duty training, inactive duty training, or full-time National Guard duty) and the commissioned corps of the United States Public Health Service or any other category of persons designated by the President of the United States in a time of war or emergency.
 - (ii) Such Uniformed Service shall be "Qualified Uniformed Service" only if:
 - (A) The Employee was employed in Covered Service immediately preceding the Uniformed Service;
 - (B) The Employee: (1) returns to Covered Service no later than seven days after the termination of active duty of 31 days or less duration; (2) applies in writing for Covered Service within 14 days after the termination of active duty of 31 to 181 days duration; or (3) applies in writing for Covered Service within 90 days after termination of active duty of more than 181 days duration (or such additional period as may be necessitated by hospitalization or convalescence due to illness or injury incurred or aggravated in the performance of Uniformed Service as may be required by the Uniformed Services Employment and Reemployment Rights Act of 1994);
 - (C) The period of Uniformed Service did not exceed five years except for training and involuntary active duty extensions or where required to complete an initial period of obligated Uniformed Service; and
 - (D) The Employee receives a discharge that is other than dishonorable.
- (22) The term "Retirement Income" as used herein shall mean the benefit the Pensioner receives under this Plan.
- (23) The terms "Retirement Plan" or "Plan" as used herein shall mean the plan, program, method, rules, and procedures for the payment of benefits from the

Trust Fund to eligible Participants. The Plan is intended to be a qualified governmental plan under sections 401(a), 414(d), and 501 of the Code.

- (24) The term "State" as used herein shall mean the State of Georgia.
 - (25) The terms "Trust", "Trust Fund", "Pension Fund", or "Fund" as used herein shall mean the entire trust estate of the Plan as it may, from time to time, be constituted, including, but not limited to, all funds received in the form of contributions, together with all contracts entered into by the Employer on behalf of the Plan (including dividends, interest, refunds, and other sums payable to the Plan on account of such contracts), all investments made and held on behalf of the Plan, all income, increments, earnings, and profits therefrom, and any and all other property or funds received and held on behalf of the Plan.
- (B) Pronouns of one gender used in the Plan shall also refer to similar pronouns of the other gender unless otherwise qualified by the context. Words in the singular or plural form used in the Plan shall be construed as though they were also used in the other form unless otherwise qualified by the context. The terms "herein" and "hereunder" and similar terms refer to this document, unless otherwise qualified by the context.
- (C) The following terms and expressions are defined in the Sections indicated:
- (1) "Vested Retirement Income": Section 2.1
 - (2) "Vested Percentage": Section 2.1
 - (3) "Normal Retirement Age": Section 3.1
 - (4) "Normal Retirement Date": Section 3.1
 - (5) "Normal Retirement Income": Section 3.1
 - (6) "Early Retirement Date": Section 3.2
 - (7) "Early Retirement Income": Section 3.2
 - (8) "Late Retirement Date": Section 3.3
 - (9) "Late Retirement Income": Section 3.3
 - (10) "Disability Retirement Income": Section 3.4
 - (11) "Totally and Permanently Disabled": Section 3.4
 - (12) "Required Beginning Date": Section 5.4

1.3 PARTICIPANT

- (A) The term "Participant" as used herein shall mean:
- (1) any Pensioner;
 - (2) any person entitled to receive benefits in the future as the beneficiary of a deceased Participant;

- (3) any person who has completed the requirements for a Vested Retirement Income and who has not received a distribution of his Accumulated Contributions;
 - (4) any person who has Accumulated Contributions in the Trust Fund;
 - (5) any Employee who is employed in Covered Service; and
 - (6) any Employee who is an Elected Official.
- (B) An Employee shall first become a Participant as of the later of the date on which he first satisfies the requirements set forth in Subsection 1.3(A) or the date as of which he begins making any required Employee Contributions to the Plan; provided, however, an Employee shall not become a Participant prior to the date on which his Covered Service commences.
- (C) Participation, for an Employee who has not completed the requirements for a Vested Retirement Income, shall cease as of the date on which he incurs a Break-in-Service. An Employee whose participation ceases pursuant to this Subsection 1.3(C) shall be deemed to have received the present value of his accrued Retirement Income as of the date he incurs such Break-in-Service.
- (D) Every Employee and Participant shall be deemed conclusively for all purposes to have assented to the terms of the Plan and shall thereby be bound with the same force and effect as if he had executed it as a party thereto.
- (E) Notwithstanding the provisions of 1.3(A)(6) above, any Employee who is an Elected Official and who is or would otherwise be a Participant in the Plan may irrevocably elect not to participate in the Plan and, furthermore, such an election may be a retroactive election not to participate as of any previous date chosen by the Elected Official.

ARTICLE II**VESTING; AMOUNT OF RETIREMENT INCOME****2.1 VESTED RETIREMENT INCOME**

- (A) An Employee shall become entitled to a Vested Retirement Income on the date that he leaves Covered Service provided that his Vested Percentage is greater than 0%. The Vested Retirement Income, payable at Normal Retirement Date, to which any Employee may become entitled shall be computed in accordance with Subsection 2.1(C) below. Except as specifically provided in this Section 2.1, a Participant's Vested Retirement Income shall be payable in accordance with the provisions of Section 3.1.

In lieu of receiving a Vested Retirement Income payable at Normal Retirement Age, a Participant may elect to convert his Vested Retirement Income to an Early Retirement Income or a Late Retirement Income which is payable either before or after his Normal Retirement Date, respectively, in accordance with the provisions of Sections 3.2 or 3.3, whichever is applicable.

- (B) It shall be impossible for any Participant who is either voluntarily or involuntarily terminated to forfeit his Vested Retirement Income after meeting the requirements for a Vested Retirement Income, unless such Participant elects to receive an optional distribution of his Accumulated Contributions in lieu of any additional benefits payable from the Plan as permitted under Subsection 2.3(C) herein.
- (C) Vested Retirement Income shall be determined as the product of (1) multiplied by (2), where (1) and (2) are defined as follows:
- (1) the Normal Retirement Income earned by an Employee determined in accordance with the provisions of Section 3.1 herein; and
 - (2) the applicable Vested Percentage as defined in Subsection 2.1(D) below.
- (D) Vested Percentage means:
- (1) for Elected Officials who have earned at least three years of Covered Service, 100%;
 - (2) for Employees of the City's Telecommunications Department who were hired on or before December 20, 2000, 100%;
 - (3) for Employees who have earned at least 10 years of Covered Service, 100%;

and

- (4) for all other Employees, 0%.

2.2 AMOUNT OF RETIREMENT INCOME

- (A) The monthly Retirement Income of an Employee will be equal to 2% (1.5% for those Employees who enter full-time employment with the City on or after July 1, 2008) of the Employee's Average Monthly Compensation multiplied by the Employee's Covered Service; provided, however, the monthly Retirement Income otherwise determined pursuant to this Subsection 2.2(A) will not be less than \$50.00.

Solely with respect to those Employees who are entitled to recognition of their County service pursuant to the provisions of Subparagraph 1.2(A)(10)(d) herein, the monthly Retirement Income of such Employee will be reduced, but not below zero, by the amount of any benefits payable from the County Plan that are attributable to the same period of County employment that has been recognized under this Plan. The amount of such reduction will be equal to a monthly annuity payable in the Normal Form of Payment commencing as of the Employee's Normal Retirement Date that is the Actuarial Equivalent of the benefits payable from the County Plan. For purposes of determining the reduction described in this Subsection 2.2(A), the automatic cost-of-living adjustment described in Subsection 2.2(B) below will be taken into account to the extent such cost-of-living adjustment is applicable to the Employee's monthly Retirement Income.

Notwithstanding the above, the monthly Retirement Income determined pursuant to this Subsection 2.2(A) for an Employee who is an Elected Official will be equal to \$5.00 multiplied by the Employee's Covered Service.

- (B) Automatic Cost-of-Living Adjustment

The monthly Retirement Income of an Employee who retires with a Normal Retirement Income solely pursuant to the provisions of Subparagraph 3.1(A)(2)(a) will be increased by 3%, compounded annually, as of each January 1st which occurs at least one year after his Normal Retirement Date and which occurs on or before January 1, 2007.

- (C) Optional Cost-of-Living Adjustment

The monthly Retirement Income of an Employee who retires with a Normal Retirement Income solely pursuant to the provisions of Subparagraph 3.1(A)(2)(a) may be increased by up to 3%, compounded annually, as of each January 1st which occurs at least one year after his Normal Retirement Date. The increase described in this Subsection 2.2(C) will only be effective with respect to a particular January 1st if such an increase is specifically adopted and approved by the City Council.

2.3 LOSS OF SERVICE; MANDATORY RETURN OF EMPLOYEE CONTRIBUTIONS; RESTORATION OF PRIOR SERVICE

- (A) An Employee who is no longer a Participant will lose his total Covered Service earned to date unless the Employee again becomes a Participant in the Plan within:
- (1) one year (applicable only to those former Employees who originally entered full-time employment with the City on or after July 1, 2008), or
 - (2) the number of years of his Covered Service (applicable to those former Employees who are not included in Paragraph 2.3(A)(1) above)
- from the date as of which his participation ended. Such an Employee who again becomes a Participant in the Plan shall be known as a "Restored Participant."
- (B) Unless the Employee meets one of the exceptions described in Paragraph 1.2(A)(4), an Employee whose Vested Percentage is not greater than 0% as of the date his employment with the Employer is terminated shall receive a mandatory distribution of his Accumulated Contributions payable in a single lump sum as soon as administratively practicable thereafter.
- (C) An Employee whose Vested Percentage is greater than 0% as of the date his employment with the Employer is terminated may receive an optional distribution of his Accumulated Contributions payable in a single lump sum as soon as administratively practicable thereafter. If an eligible Employee does elect to receive such a distribution, then he will not be entitled to receive any other benefits under the Plan unless he later becomes a Restored Participant (as described in Subsection 2.3(A) above).
- (D) If a Restored Participant (as described in Subsection 2.3(A) above) has previously received a distribution of his Accumulated Contributions, his Covered Service will not include the Covered Service that was credited to him on account of such Accumulated Contributions unless he repays to the Plan such Accumulated Contributions (increased with interest at the rate of 7.75% per annum during the period that begins on the distribution date and that ends on the repayment date) within one year of the date on which he again became an Employee.
- (E) For purposes of determining the amount of any additional benefit accruals earned after any date of re-entry into full-time employment with the City that occurs on or after July 1, 2008, as well as for purposes of determining the eligibility and conditions to receive such benefits, a Restored Participant will be treated as if he originally entered full-time employment with the City on or after July 1, 2008.

ARTICLE III

**RETIREMENT BENEFIT PROVISIONS AND
GOVERNMENTAL LIMITATIONS**

3.1 NORMAL RETIREMENT

(A) Normal Retirement Age and Date

- (1) The Normal Retirement Age of each Participant who enters full-time employment with the City on or after July 1, 2008 will be the earliest of:
 - (a) the later of his “social security retirement age” and the date on which the Participant earns at least five years of Covered Service;
 - (b) the later of age 62 and the date on which the Participant earns at least 25 years of Covered Service; and
 - (c) the later of age 55 and the date on which the Participant earns at least 30 years of Covered Service.

For purposes of this Paragraph 3.1(A)(1), “social security retirement age” means age 65 with respect to those Participants who were born prior to 1938, age 66 with respect to those Participants who were born during the years 1938 through 1954, and age 67 with respect to those Participants who were born after 1954.

- (2) The Normal Retirement Age of each Participant who is not described in Paragraph 3.1(A)(1) above will be the earlier of:
 - (a) the later of age 65 and the date on which the Participant earns at least five years of Covered Service, provided that the five-year service requirement set forth in this Subparagraph 3.1(A)(2)(a) will not apply to those Participants who were originally employed by the Employer prior to January 1, 1992; and
 - (b) the later of age 55 and the date on which the Participant earns at least 25 years of Covered Service.
- (3) The Normal Retirement Date of each Participant will be the first of the month coincident with or next following the Participant’s Normal Retirement Age.

(B) Amount of Normal Retirement Income

The monthly Normal Retirement Income of a Participant becoming eligible on his Normal Retirement Date shall be an amount as set forth in Section 2.2.

3.2 EARLY RETIREMENT

(A) Early Retirement Date

An Employee or a Participant entitled to a Vested Retirement Income may retire prior to his Normal Retirement Date at any time after the first day of the month coincident with or next following the date he has both accumulated at least 10 years of Covered Service and attained age 55. Such retirement date shall be known as the Participant's Early Retirement Date.

(B) Amount of Early Retirement Income

The monthly Early Retirement Income of a Participant electing Early Retirement will be the amount of the Normal Retirement Income, as set forth in Subsection 3.1(B), to which the Participant would be entitled if he had attained his Normal Retirement Age when his Early Retirement Income first becomes payable, reduced by an Early Retirement Reduction Percentage for each month by which the Participant's Early Retirement Date precedes his Normal Retirement Date to take into account the Participant's younger age and the earlier commencement of Retirement Income payments. For purposes of this Subsection 3.2(B), the Early Retirement Reduction Percentage will be equal to:

- (1) 0% with respect to those Employees who are Elected Officials;
- (2) $\frac{1}{12}$ of 2.5% with respect to all other Employees who retire immediately from Covered Service and who originally entered full-time employment with the City prior to July 1, 2008; or
- (3) an Actuarially Equivalent percentage with respect to all other Employees who are entitled to an Early Retirement Income.

3.3 LATE RETIREMENT

(A) Late Retirement Date

A Participant may, on his Normal Retirement Date, elect to postpone his Retirement Income payments until a later date; provided, however, that a Participant may not postpone his Retirement Income to a date later than his Required Beginning Date as

set forth in Subsection 5.4(B). Such retirement date shall be known as the Participant's Late Retirement Date.

(B) Amount of Late Retirement Benefit

- (1) The monthly Late Retirement Benefit payable to a Participant will be equal to the sum of (a), (b), and (c), where (a), (b), and (c) are defined as follows:
 - (a) is the Participant's Normal Retirement Benefit;
 - (b) is an Actuarial Adjustment for the Plan Year which includes the Participant's Normal Retirement Date and each Plan Year thereafter, as determined under Paragraph 3.3(B)(2) below; and
 - (c) is the excess, if any, of the additional benefit accruals earned after the Participant's Normal Retirement Date during the Plan Year which includes his Normal Retirement Date and during each Plan Year thereafter over the Actuarial Adjustment for each such Plan Year, respectively.
- (2) The Actuarial Adjustment will be determined as of the close of each Plan Year and will be equal to the increase in the Participant's monthly Pension Benefit as of the close of the preceding Plan Year (or the Participant's Normal Retirement Date, if later) which is required in order to provide a monthly benefit as of the determination date that is the Actuarial Equivalent of the monthly benefit as of the close of the preceding Plan Year (or the Participant's Normal Retirement Date, if later).

3.4 DISABILITY RETIREMENT

(A) Eligibility For a Disability Retirement Income

- (1) A Participant shall be eligible for a Disability Retirement Income if he becomes Totally and Permanently Disabled while employed by the Employer, provided that he has earned at least five years of Covered Service.
- (2) The term "Totally and Permanently Disabled" means that the Participant has a physical or mental condition such that he is unable to perform the duties of his customary position of employment for an indefinite period and that this condition will be of long continued duration. In order for a Participant to continue to be considered to be Totally and Permanently Disabled after two years have elapsed from the date he initially becomes Totally and Permanently Disabled, then he must also be unable to engage in any occupation or gainful employment for which he is reasonably suited by his background, education, training, and experience.

- (3) For the purpose of determining whether a Participant is Totally and Permanently Disabled, the Plan Administrator may require the Participant to undergo a physical examination by a duly-licensed physician chosen by the Plan Administrator.

The Plan Administrator may also require a Participant who is receiving a Disability Retirement Income to be re-examined periodically by a duly-licensed physician chosen by the Plan Administrator in order to verify the Participant's continued Total and Permanent Disability. Furthermore, the Plan Administrator may require such a Participant to submit evidence periodically, but not more frequently than every six months, that he continues to qualify as Totally and Permanently Disabled.

If a Participant who has applied for or is receiving a Disability Retirement Income does not provide such evidence of his disability or of his employment status as the Plan Administrator may require or does not fully cooperate with the Plan Administrator or with any physicians engaged by the Plan Administrator for the purpose of determining the Participant's disabled status, then such Participant will no longer be eligible for a Disability Retirement Income.

- (4) The Plan Administrator will have the authority to make all determinations as to a Participant's disabled status and may require such evidence as is deemed appropriate and necessary in his sole discretion to make a proper determination as to whether the Participant is or continues to be Totally and Permanently Disabled. Any determination by the Plan Administrator will not be subject to review by anyone, provided that the Plan Administrator will not act arbitrarily or capriciously in making such a determination, but will treat Participants who are similarly situated in a similar and consistent manner.

(B) Amount of Disability Retirement Income

A Participant eligible for a Disability Retirement Income shall receive a monthly income as set forth in Section 2.2.

3.5 MAXIMUM AMOUNT OF RETIREMENT INCOME

- (A) Any other provision herein to the contrary notwithstanding, the Retirement Income payable to each Participant in any Limitation Year shall not exceed the maximum amount allowable under Code section 415, Revenue Ruling 95-6, and subsequent guidance issued by the Secretary of the Treasury pursuant to Code section 415.

(B) Limitation Year

For purposes of applying the benefit limitation described in Subsection 3.5(A) above, the Limitation Year means the calendar year.

- (C) In no event shall the amount of Retirement Income considered under this Plan exceed the amount of a benefit that is non-discriminatory under Code section 401(a)(4).

3.6 NON-DUPLICATION

- (A) A Participant shall be entitled to only one benefit (retirement or death) under this Plan, except that a Participant receiving a Disability Retirement Income who recovers prior to his Early or Normal Retirement Date may be entitled to an Early, Normal, or Late Retirement Income.

- (B) Subsection 3.6(A) above notwithstanding, a Participant who receives an Early Retirement Income and who subsequently becomes eligible for a Disability Retirement Income (but for the fact that he is receiving an Early Retirement Income) may nevertheless receive a Disability Retirement Income in lieu of his Early Retirement Income, provided that such Participant had made application for a Disability Retirement Income as of his Early Retirement Date and that the date set forth in Paragraph 5.1(B)(4) either coincides with or precedes his Early Retirement Date.

- (C) This Section 3.6 shall not prohibit a Pensioner from receiving a benefit as the beneficiary of a deceased Participant.

- (D) If a Participant is eligible or becomes eligible for more than one form of benefit, the Participant's selection of any benefit shall be final and binding upon the Participant and his beneficiaries.

ARTICLE IV

DEATH BENEFIT PROVISIONS

4.1 GUARANTEED RETURN OF ACCUMULATED CONTRIBUTIONS

If a Participant dies prior to the commencement of a Retirement Income, his named beneficiary(ies) will be entitled to receive a single lump sum payment equal to his Accumulated Contributions as of his date of death.

If a Participant dies prior to the date as of which Retirement Income payments have been made which are at least equal to the amount of the Participant's Accumulated Contributions as of the commencement date of his Retirement Income payments and no portion of such Retirement Income payments are scheduled to continue to a beneficiary, then the Participant's named beneficiary(ies) will be entitled to receive a single lump sum payment equal to the excess of his Accumulated Contributions as of the commencement date of his Retirement Income payments over the sum total of all Retirement Income payments which have been made on the Participant's behalf.

If a Participant's beneficiary dies prior to the date as of which Retirement Income payments have been made both to the Participant and his beneficiary(ies) which are at least equal to the amount of the Participant's Accumulated Contributions as of the commencement date of Retirement Income payments to the Participant and no portion of such Retirement Income payments are scheduled to continue to an alternative beneficiary, then the Participant's named beneficiary(ies) will be entitled to receive a single lump sum payment equal to the excess of his Accumulated Contributions as of the commencement date of Retirement Income payments to the Participant over the sum total of all Retirement Income payments which have been made on the Participant's behalf.

4.2 POST-RETIREMENT LIFE INSURANCE BENEFIT

If an Employee retires immediately from Covered Service and commences receipt of an Early, Normal, Late, or Disability Retirement Income pursuant to Sections 3.1, 3.2, 3.3, or 3.4 herein and, in any event, is not entitled to receive a Retirement Income solely due to the provisions of Section 2.1 herein, such individual's named beneficiary(ies) will be entitled to receive a single lump sum payment equal to \$5,000 upon the retiree's death and such lump sum will be paid as soon as administratively practicable after the retiree's death; provided, however, that the lump sum death benefit described in this Section 4.2 will only be effective for deaths that occur after June 30, 2008 and that occur during such periods as the City does not provide a similar life insurance benefit on such individual's behalf pursuant to a group term life insurance policy. If the Participant has named more than one beneficiary to receive the lump sum death benefit payable under this Section 4.2, then the lump sum death benefit will be paid in equal shares to each named beneficiary.

ARTICLE V

PROVISIONS REGARDING PAYMENT OF BENEFITS

5.1 PAYMENT OF RETIREMENT INCOME

- (A) The monthly Retirement Income payable in the event of Normal, Early, Late, or Disability Retirement will be payable on the first day of each month.
- (B)
 - (1) In the event of Normal or Early Retirement on or after the attainment of age 62, Retirement Income payments will be effective and the first payment will be payable on the Participant's Normal or Early Retirement Date, as applicable, subject to Paragraph 5.1(B)(5) below.
 - (2) In the event of Normal or Early Retirement prior to the attainment of age 62, Retirement Income payments will be effective and the first payment will be payable on the Participant's Normal or Early Retirement Date, as applicable, subject to Paragraph 5.1(B)(5) below; provided, however, a Participant will not be considered to have retired and, thus, will not be eligible to commence receipt of his Normal or Early Retirement Income pursuant to this Paragraph 5.1(B)(2) if he continues to be employed in Covered Service or is re-employed in Covered Service within the first 90 days immediately following his Normal or Early Retirement Date.
 - (3) In the event of Late Retirement, Retirement Income payments will be effective and the first payment will be payable on the Participant's Late Retirement Date, subject to Paragraph 5.1(B)(5) below.
 - (4) In the event of Disability Retirement, Retirement Income payments will be effective and the first payment will be payable on first day of the month which is coincident with or next follows the date as of which the Plan Administrator determines that the Participant became Totally and Permanently Disabled.
 - (5) Normal, Early, or Late Retirement Income payments will not be effective earlier than the first day of the month following the date on which the Participant's completed application for a Normal, Early, or Late Retirement Income, respectively, is filed at the office of the Plan Administrator.
- (C) Any other provisions of this Section 5.1 notwithstanding, Retirement Income payments pursuant to Section 3.3 shall begin no later than the Participant's Required Beginning Date as described in Subsection 5.4(B). Retirement Income payments which commence in accordance with this Subsection 5.1(C) shall be paid in the

Normal Form of Payment unless a timely election is made by the Participant not to receive such Normal Form of Payment pursuant to the provisions of Section 5.2.

- (D) (1) In the event of Early, Normal, or Late Retirement, the last payment will be the payment due next preceding the Pensioner's death or such other date as is applicable under the form of payment being received by the Pensioner as of his death.
- (2) In the event of Disability Retirement, the last payment will be the payment due next preceding the earlier of the following:
 - (a) the Pensioner's death or such other date as is applicable under the form of payment being received by the Pensioner as of his death; or
 - (b) the date prior to the Pensioner's Normal Retirement Date as of which the Plan Administrator determines that such Pensioner is no longer Totally and Permanently Disabled.
- (E) If a Pensioner's Retirement Income has commenced in either the Normal Form of Payment or under an optional form elected under the provisions of Section 5.2, he may not change the form of benefit payment at any subsequent date.
- (F) Retirement Income payments made under the Normal Form of Payment or an optional form pursuant to Section 5.2 will be subject to the following limitations:
 - (1) If a Participant dies prior to the date that his Retirement Income payments are effective pursuant to this Section 5.1, no benefits will be payable under the Plan except as provided under Article IV.
 - (2) If the designated beneficiary (or beneficiaries) or joint pensioner of a Participant dies before the date that the Participant's Retirement Income payments are effective pursuant to this Section 5.1, any optional form of payment elected will be cancelled automatically and a Retirement Income of the Normal Form of Payment and amount will be payable to the Participant as if the election had not been made unless the Participant makes a new election pursuant to Section 5.2 herein.
 - (3) If both the Participant and the beneficiary (or beneficiaries) designated by him die after the date that the Participant's Retirement Income payments become effective pursuant to this Section 5.1 but before the full payment has been effected under any option providing for payments for a period certain and life thereafter, such payments shall be paid in accordance with Section 6.4 hereof and, if the commuted value of the remaining payments is less than \$3,500 or if the monthly amount of the remaining payments is less than \$50.00, such payments shall be paid in a lump-sum.

- (G) The selection or rejection of any optional form of Retirement Income shall be final and binding upon the Participant and his beneficiary (or beneficiaries) on the date that the Participant's Retirement Income commences.

5.2 OPTIONAL FORM OF RETIREMENT INCOME

- (A) In lieu of the amount and Normal Form of Payment of Retirement Income payable pursuant to Sections 3.1, 3.2, 3.3, or 3.4 hereof, a Participant, upon furnishing written notice to the Plan Administrator, may elect to receive an optional form of Retirement Income, of an Actuarially Equivalent value, in accordance with the following option:

Option: Modified payments during the Participant's lifetime, with 100% of the monthly payments continuing to the Participant's Eligible Spouse for the remainder of the Eligible Spouse's lifetime, but not after the Eligible Spouse's remarriage. Furthermore, such modified payments will continue after the deaths of both the Participant and his Eligible Spouse or after the remarriage of the Eligible Spouse in equal shares until age 18 to each of the Participant's unmarried dependent children, if any; provided, however, that the benefit payable to the Participant's unmarried dependent children will not be considered when determining the amount of the modified payments under this option. Solely for purposes of determining the amount of the benefit payable pursuant to this Option, no Actuarial Equivalent adjustment will be applied with respect to Participants who were originally employed by the Employer prior to January 1, 1992.

- (B) The Plan Administrator shall honor each election of an optional form of payment.
- (C) Notwithstanding any provisions of this Section 5.2 to the contrary, an option shall not be available hereunder unless the distributions to the Participant and his beneficiary satisfy the minimum distribution requirements of Code section 401(a)(9).
- (D) The Participant, upon electing any option of this Section 5.2, will designate the joint pensioner or beneficiary (or beneficiaries) to receive the benefits, if any, payable under the Plan in the event of his death and will have the power to change such designation prior to actual retirement. Such designation will name a joint pensioner or one or more primary beneficiaries where applicable. Each such designation will be made in writing on a form prepared by the Plan Administrator. In the event that no designated beneficiary survives the Participant, such benefits as are payable in the event of the death of the Participant subsequent to his retirement shall be paid as provided in Section 6.3 hereof.

5.3 LUMP-SUM PAYMENT OF SMALL RETIREMENT INCOME

In addition to any other provision of the Plan, for the purpose of reducing the administrative costs of the Plan, if, as of the date that Retirement Income payments are first effective, the single sum value of the total Retirement Income to be paid is less than \$3,500 or the monthly Retirement Income payment is less than \$50.00, then the single sum value of such Retirement Income shall be paid in a lump-sum without the consent of the Participant and, if applicable, without the consent of the Participant's Eligible Spouse. Such single sum value shall be based on the mortality and interest assumptions used for the calculation of a single sum value lump-sum payment as described in the definition of Actuarial Equivalent.

5.4 REQUIRED BEGINNING DATE; RECALCULATION OF RETIREMENT INCOME

(A) Except as otherwise set forth in Subsection 5.4(B), a Participant must file an application for Retirement Income with the Plan Administrator on a form prescribed by the Plan Administrator in order to commence distribution of his Retirement Income in any form at any age.

(B) Required Beginning Date

Effective January 1, 1997, Retirement Income payments shall become effective no later than the April 1 of the calendar year following the later of:

- (1) the calendar year in which the Employee or former Employee attains age 70½, or
- (2) the calendar year in which the Employee or former Employee retires.

Such date shall be known as the Employee's or former Employee's Required Beginning Date.

For purposes of this Subsection 5.4(B) and Paragraph 5.4(C)(2)(a), an Employee or former Employee shall be deemed to have retired as of the last day of any month in which he has been employed by the Employer for less than 40 hours within such month.

(C) Recalculation of Retirement Income

- (1) An Employee who is receiving Retirement Income payments and who, after the effective date of such Retirement Income payments, earns additional Covered Service shall earn additional Retirement Income for such employment determined in accordance with Paragraph 5.4(C)(3) below.

- (2) The additional Retirement Income so determined in Paragraph 5.4(C)(3) shall be payable to the Employee upon the earlier of:
 - (a) the later of:
 - (i) his subsequent date of retirement as defined in Subsection 5.4(B); or
 - (ii) his subsequent Normal, Early, or Late Retirement Date, provided that he has applied for a Normal, Early, or Late Retirement Income in accordance with Subsection 5.4(A); or
 - (b) each January 1st, if such January 1st follows his Required Beginning Date.
- (3) An Employee who qualifies for additional Retirement Income pursuant to Paragraph 5.4(C)(1) shall have his Retirement Income recalculated as of a recalculation date which is the day immediately preceding the date defined in Paragraph 5.4(C)(2) above. The amount of Retirement Income earned before the recalculation date shall not be recomputed but shall be frozen at the same benefit amount and form of payment previously in effect. The additional Retirement Income which is payable to the Employee shall be computed based on the benefit formula(e) as set forth in Section 2.2 which is(are) in effect on the recalculation date, on the additional Covered Service earned pursuant to Paragraph 1.2(A)(10), on any applicable Early or Late Retirement adjustment as set forth in Sections 3.2 or 3.3, respectively, and on any applicable Vested Percentage as set forth in Section 2.1.
- (4) The latest form of payment elected pursuant to Section 5.2 will apply to the additional amount determined under this Subsection 5.4(C). In addition, this adjusted additional amount shall increase, decrease, or cease on the same dates and in the same proportion as the amount payable under the latest form of payment so elected pursuant to Section 5.2.

5.5 GOVERNMENTAL RESTRICTIONS REGARDING DISTRIBUTION OF BENEFITS

Distributions from this Plan will be made in accordance with Internal Revenue Service regulations under Code section 401(a)(9), including section 1.401(a)(9)-2 of the proposed regulations. Notwithstanding any other provisions of the Plan to the contrary, the provisions of Code section 401(a)(9) shall override any distribution options in the Plan which are inconsistent with Code section 401(a)(9). Furthermore, any distributions required under the incidental death benefit requirements of Code section 401(a) shall be treated as a distribution required under Code section 401(a)(9).

(A) Additional Before-Death Distribution Rules

The Retirement Income to a Pensioner shall be distributed, beginning not later than the date set forth in Subsection 5.4(B), over the life of such Pensioner or over the lives of such Pensioner and a designated beneficiary, or over a period not extending beyond the life expectancy of such Pensioner or the life expectancy of such Pensioner and a designated beneficiary.

(B) After-Death Distribution Rules

(1) If unpaid amounts remain at the death of a Pensioner receiving benefits in accordance with Subsection 5.5(A) hereof, such remaining amounts will be distributed at least as rapidly as under the method of distribution being used under Subsection 5.5(A) as of the date of his death.

(2) In the case in which distributions have not commenced to an Employee or former Employee prior to the Employee's death, the entire interest of the Employee will be distributed within five years after the death of such Employee. However, such five-year rule will not apply if any portion of the Employee's interest is payable to a designated beneficiary where such portion will be distributed over the life of such designated beneficiary or over a period not extending beyond the life expectancy of such beneficiary beginning not later than one year after the date of the Employee's death or such later date as the Secretary of the Treasury may by regulations prescribe. If the designated beneficiary is the surviving Eligible Spouse of the Employee, the date on which the distributions would be required to begin shall not be earlier than the Employee's Required Beginning Date. If the surviving Eligible Spouse dies before payments are required to commence, the five-year rule shall be applied as if the surviving Eligible Spouse were the Employee.

(C) The limitations of Subsections 5.5(A) and 5.5(B) are incorporated into the Plan in order to conform to the distribution limitation rules imposed under the Deficit Reduction Act of 1984. To the extent that such limitations become modified or eliminated by further legal or governmental actions, such modifications or eliminations shall be deemed to be incorporated into this Plan to the extent that Subsections 5.5(A) and 5.5(B) would otherwise restrict methods of benefit payment allowable under the Plan.

(D) Notwithstanding the foregoing, with respect to distributions under the Plan made for calendar years after 2001, the Plan Administrator will apply the minimum distribution requirements of section 401(a)(9) of the Code in accordance with the regulations under section 401(a)(9) that were proposed on January 17, 2001. The foregoing provision shall continue in effect until the end of the last calendar year beginning before the effective date of final regulations under section 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service.

5.6 DIRECT ROLLOVER OF ELIGIBLE DISTRIBUTION

(A) Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Section 5.6, a Distributee may elect, at the time and in the manner prescribed by the Plan Administrator, to have any portion of an Eligible Rollover Distribution that is equal to at least \$500 paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

(B) Definitions

(1) Eligible Rollover Distribution: An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under section 401(a)(9) of the Code; the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities); any other distribution that is reasonably expected to total less than \$200 during a year; and, effective January 1, 1999, a hardship withdrawal, as such term is defined in section 401(k)(2)(B)(i)(IV) of the Code which is attributable to the Participant's elective contributions under Treasury regulations section 1.401(k)-1(d)(2)(ii).

(2) Eligible Retirement Plan: An Eligible Retirement Plan is an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a) of the Code, or a qualified plan described in section 401(a) of the Code that accepts the Distributee's Eligible Rollover Distribution. Notwithstanding the foregoing, effective for distributions made after December 31, 2001, an Eligible Retirement Plan shall also mean an annuity contract described in section 403(b) of the Code and an eligible plan under section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. Notwithstanding the foregoing, effective for distributions made after December 31, 2007, an Eligible Retirement Plan shall also mean a Roth IRA described in section 408A(b) of the Code, provided that, effective for tax years beginning prior to January 1, 2010, the restrictions that previously applied to rollovers from an individual retirement account as described in section 408(a) of the Code to a Roth IRA as described in section 408A(b) of the Code

will also apply to rollovers from this Plan to such a Roth IRA. In the case of an Eligible Rollover Distribution to a surviving spouse prior to January 1, 2002, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity. In the case of an Eligible Rollover Distribution to a surviving spouse after December 31, 2001, an Eligible Retirement Plan is as defined herein with respect to a Participant. Effective for distributions after December 31, 2006, in the case of an Eligible Rollover Distribution to a surviving beneficiary other than a spouse, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity that is treated as an inherited individual retirement account or annuity.

- (3) Distributee: A Distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse, the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code, and the Employee's or former Employee's surviving non-spouse beneficiary(ies) are Distributees with regard to the interest of the spouse, former spouse, or beneficiary.

- (4) Direct Rollover: A Direct Rollover is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

ARTICLE VI

**ADMINISTRATION AND MISCELLANEOUS
INFORMATION REGARDING PARTICIPANTS**

6.1 ADMINISTRATION BY PLAN ADMINISTRATOR

The Plan shall be administered by the Plan Administrator in accordance with the provisions set forth herein. The Plan Administrator shall from time to time establish rules for the interpretation, application, and administration of the Plan and, in making any such determination or rules, the Plan Administrator shall pursue uniform policies and shall not discriminate in favor of or against any Participant or group of Participants. The Plan Administrator shall, subject to the requirements of law, be the sole judge of the standard of proof required in any case and the application and interpretation of the Plan and decisions of the Plan Administrator shall be final and binding.

All questions or controversies of whatsoever character arising in any manner or between any parties or persons in connection with this Plan or its operation, whether as to any claim for benefits, as to the construction of the language of this Plan, or any rules and regulations adopted by the Employer or the Plan Administrator, or as to any writing, decision, instrument, or account in connection with the operation of the Plan or otherwise shall be submitted to the Plan Administrator. Any decision rendered by the Plan Administrator shall be binding upon all persons dealing with the Plan or claiming any benefit hereunder, except to the extent that such decision may be determined to be arbitrary or capricious by a court or arbitrator having jurisdiction over such matter.

The assets of the Plan shall be conserved, invested, and disbursed by the Plan Administrator pursuant to the terms set forth herein or in any applicable trust agreement or pursuant to any applicable statute of the State.

6.2 PARTICIPANTS TO FURNISH REQUIRED INFORMATION

Each Participant will furnish to the Plan Administrator such information as the Plan Administrator consider necessary or desirable for the purpose of administering the Plan and the provisions of the Plan. Any payments hereunder are conditioned upon the Participant's furnishing promptly such true, full, and complete information as is necessary to establish the facts upon which the benefits are based.

An application for Retirement Income shall be in writing on a form and in the manner prescribed by the Plan Administrator and shall be filed with the Plan Administrator in advance of the first month for which the Retirement Income is to be paid.

Each Participant will submit proof of his age and proof of the age of each beneficiary and joint pensioner designated or selected by him to the Plan Administrator at such time as required by the Plan Administrator. The Plan Administrator will, if such proof of age is not submitted as required, use as conclusive evidence thereof such information as is deemed by the Plan Administrator to be reliable, regardless of the source of such information. Any adjustment required by reason of lack of proof or the misstatement of the age of persons entitled to benefits hereunder, by the Participant or otherwise, will be in such manner as the Plan Administrator deems equitable.

Any notice of information which, according to the terms of the Plan or the rules of the Plan Administrator, must be filed with the Plan Administrator shall be deemed so filed at the time that it is actually received by the Plan Administrator.

The Plan Administrator and any person or persons involved in the administration of the Plan shall be entitled to rely upon any certification, statement, or representation made or evidence furnished by a Participant with respect to his age or other facts required to be determined under any of the provisions of the Plan and shall not be liable on account of the payment of any monies or the doing of any act or failure to act in reliance thereon. Any such certification, statement, representation, or evidence, upon being duly made or furnished, shall be conclusively binding upon the person furnishing the same, but it shall not be binding upon the Plan Administrator or Employer or any other person or persons involved in the administration of the Plan. Nothing herein contained shall be construed to prevent any of such parties from contesting any such certification, statement, representation, or evidence or to relieve the Participant from the duty of submitting satisfactory proof of any such fact.

6.3 BENEFICIARIES

Each Employee or former Employee may, on a form provided for that purpose, signed and filed with the Plan Administrator, designate a beneficiary (or beneficiaries) to receive the benefit, if any, which may be payable under Article IV or under an optional form of payment in the event of his death and each such designation may be revoked by such Employee by signing and filing with the Plan Administrator a new designation of beneficiary form; but no such change shall be binding on the Plan Administrator unless it is received prior to the time any payments are made to the beneficiary whose designation is on file with the Plan Administrator.

If a deceased Employee had failed to name a beneficiary in the manner prescribed above or if the beneficiary (or beneficiaries) named by a deceased Employee predeceases the Employee, the death benefit, if any, which may be payable under an optional form of payment with respect to such deceased Employee, shall be paid to the estate of such deceased Employee.

Any payment made to any person pursuant to the power and discretion conferred upon the Plan Administrator by the provisions of this Section 6.3 shall operate as a complete

discharge of all obligations under the Plan with respect to such deceased Employee and shall not be subject to review by anyone but shall be final, binding, and conclusive.

6.4 CONTINGENT BENEFICIARIES

In the event of the death of a beneficiary who is receiving benefits pursuant to the provisions of the Plan within any certain period specified under the Plan with respect to which benefits are payable under the Plan after the Employee's death, the same amount of monthly retirement income which the beneficiary was receiving shall be payable for the remainder of such specified certain period to a person designated by the Employee (in the manner provided in Section 6.3) to receive the remaining benefits, if any, payable in the event of such contingency or, if no person was so named, then to a person designated by the beneficiary (in the manner provided in Section 6.3) of the deceased Employee to receive the remaining benefits, if any, payable in the event of such contingency; provided, however, that, if no person so designated is living upon the occurrence of such contingency, then the remaining death benefits, if any, shall be payable for the remainder of such specified certain period to the estate of such deceased beneficiary.

Any payments made to any person pursuant to the power and discretion conferred upon the Plan Administrator by the provisions of this Section 6.4 shall operate as a complete discharge of all obligations under the Plan with respect to such deceased beneficiary and shall not be subject to review by anyone but shall be final, binding, and conclusive.

6.5 PARTICIPANTS' RIGHTS IN TRUST FUND

No Participant or other person shall have any interest in or any right in, to, or under the Trust Fund or any part of the assets thereof except as and to the extent expressly provided in the Plan. In addition, this Retirement Plan is maintained for the exclusive benefit of Participants and their beneficiaries and it shall be impossible at any time prior to the satisfaction of the Plan's liabilities for any part of the principal or income of the Trust to be diverted for any other purpose.

6.6 SPENDTHRIFT PROVISION

Except as provided otherwise by any applicable State law, no benefits, rights, or accounts shall exist under the Plan which are subject in any manner to voluntary anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge and any attempt to so anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be null and void; nor shall any such benefit, right, or account under the Plan be in any manner liable for or subject to the debts, contracts, liabilities, engagements, torts, or other obligations of the person entitled to such benefit, right, or account; nor shall any such benefit, right, or account under the Plan constitute an asset in case of the bankruptcy, receivership, or divorce

of any person entitled under the Plan; and any such benefit, right, or account under the Plan shall be payable only directly to the Employee or former Employee or his beneficiary, as the case may be.

6.7 BENEFITS PAYABLE TO MINORS AND INCOMPETENTS

Section 6.6 herein notwithstanding, whenever any person entitled to payments under this Plan shall be a minor or under other legal disability or in the sole judgment of the Plan Administrator shall otherwise be unable to apply such payments to his own best interest and advantage (as in the case of illness, whether mental or physical, or where the person not under legal disability is unable to preserve his estate for his own best interest), the Plan Administrator may direct all or any portion of such payments to be made to an existing and duly-appointed guardian, tutor, conservator, committee, or other duly-appointed legal representative, in which event payment shall be made to such representative as follows:

- (A) Directly to such person unless such person shall be an infant or shall have been legally adjudicated incompetent at the time of payment;
- (B) To the spouse, child, parent, or other blood relative to be expended on behalf of the person entitled or on behalf of those dependents as to whom the person entitled has the duty of support;
- (C) To a recognized charity or governmental institution to be expended for the benefit of the person entitled or for the benefit of those dependents as to whom the person entitled has the duty of support; or
- (D) By the Plan Administrator itself received and expending or directing the expenditures of the same for the benefit of the person entitled or for the benefit of those dependents as to whom the person entitled has the duty of support.

The decision of the Plan Administrator will, in each case, be final and binding upon all persons and, except in the case of Subsection 6.7(D) above, the Plan Administrator shall not be obliged to see to the proper application or expenditure of any payments so made. Any payment made pursuant to the power herein conferred upon the Plan Administrator shall operate as a complete discharge of the obligations of the Plan Administrator.

6.8 NOTIFICATION OF MAILING ADDRESS

Each Participant entitled to benefits hereunder shall file with the Plan Administrator from time to time in writing his post office address and each change of post office address and any check representing payment hereunder and any communication addressed to a Participant hereunder at his last address filed with the Plan Administrator (or, if no such address has been filed, then at his last address as indicated in the records of the Plan

Administrator) shall be binding on such person for all purposes of the Plan and the Plan Administrator shall not be obliged to search for or ascertain the location of any such person.

If a Pensioner fails to inform the Plan Administrator, in writing sent by certified mail, of his address and the Plan Administrator are unable to communicate with the Pensioner at the address last recorded by the Plan Administrator and a letter is sent by regular mail to such Pensioner, any payments due on the Pensioner's account shall be held without interest until he makes claim therefor.

6.9 PROOF OF CONTINUED EXISTENCE

If the Plan Administrator, for any reason, are in doubt as to whether Retirement Income payments are being received by the person entitled thereto, the Plan Administrator may, by registered or certified mail addressed to the person concerned at his address last known to the Plan Administrator, notify such person, after 60 days following the mailing of the request, that all unmailed and future Retirement Income payments shall be henceforth withheld until he provides to the Plan Administrator a sworn statement of his continued life and his proper mailing address or his beneficiary provides the Plan Administrator with evidence of his death.

6.10 WRITTEN COMMUNICATIONS REQUIRED

Any notice, request, instruction, or other communication to be given or made hereunder shall be in writing and either personally delivered to the addressee or deposited in the United States mail fully postpaid and properly addressed to such addressee at the last address for notice shown in the records of the Plan Administrator.

6.11 BENEFITS PAYABLE AT OFFICE OF PLAN ADMINISTRATOR

All benefits hereunder and installments thereof shall be payable at the office of the Plan Administrator.

6.12 RELIANCE ON CERTIFICATES AND REPORTS

The Plan Administrator may rely upon all certificates and reports made by an accountant designated by the Plan Administrator, upon all opinions given by legal counsel approved by the Plan Administrator, upon all tables, valuations, certificates, and reports furnished by an actuary engaged by the Plan Administrator, upon medical opinion submitted by a doctor approved by the Plan Administrator, and shall be fully protected with respect to any action taken or suffered by them in good faith in reliance upon any accountant, counsel, actuary, or

doctor and such action shall be conclusive upon Participants, the Employer, and others having any relations with the Plan Administrator, the Plan, or the Fund.

6.13 EMPLOYER CONTRIBUTIONS AND ACTUARIAL VALUATIONS

Except for the mandatory Employee Contributions that are required, the Employer alone shall make the contributions required to fund the cost of the benefits provided to its Employees by this Plan. The Employer will make such contributions as are necessary to fund the Plan in accordance with the minimum funding standards as provided in Title 47 of the Georgia Code and other applicable State law. Each contribution is contingent upon the maintenance of qualified status by the Plan under the Code for the year with respect to which such contribution is made.

Except as provided below, the contributions made by the Employer to the Trust Fund are irrevocable and no part of any income or corpus of the Trust Fund shall revert to the Employer or be used for or diverted to purposes other than the exclusive benefit of Participants and their beneficiaries. Notwithstanding the foregoing, to the extent permitted by the Code and other applicable laws and regulations thereunder, upon the Employer's written request, a contribution which is: (1) made by a mistake of fact, or (2) conditional on the tax-qualification of the Plan with the Plan receiving an adverse determination from the Internal Revenue Service, shall be returned to the Employer making the contribution within one year after the mistaken payment of the contribution or denial of qualification, whichever is applicable.

The Plan shall retain in the Trust Fund all amounts representing the non-vested accrued benefit (and earnings thereon) of Participants who have terminated employment, died, or forfeited benefits under the Plan for any other reason.

The benefits as set forth in this Plan have been adopted by the Employer on the basis of an actuarial estimate furnished by an actuary that the contributions to the Fund and the estimated earnings thereof will be sufficient to provide such benefits on a continuing basis. However, it is recognized that:

- (A) in the future, the income and/or liabilities of the Fund may differ from those estimated at the time of the establishment of this Plan; and
- (B) the benefits set forth in this Plan can be provided only to the extent that the assets of the Fund are sufficient to provide them.

In recognition of the foregoing, the Plan Administrator shall have prepared periodically (but no less frequently than required by Title 47 of the Georgia Code or other applicable State law) an actuarial valuation of the Fund. Such actuarial valuation shall be performed by a firm, at least one of whose members or employees is enrolled by the Joint Board for the Enrollment of Actuaries or who meets such other requirements as are set forth in Title 47 of the Georgia Code or other applicable State law.

6.14 RECOVERY OF BENEFIT PAYMENTS

The Plan Administrator, in the event of any overpayment, shall have the right, without limitation of any other rights, to recover such overpayment from future benefits payable hereunder. The amount of recovery from each such benefit payment shall be at the discretion of the Plan Administrator; provided, however, that no recovery of any single payment shall exceed any amount allowable under federal or State law.

Any person, whether an Employee, beneficiary, or other person, who receives an incorrect payment from the Trust Fund (whether an erroneous benefit amount, a payment made after a Participant's death, or a payment made for any other reason) shall be responsible to notify the Plan Administrator of such receipt of incorrect payment and to promptly return such payment to the Plan Administrator.

6.15 CLAIMS PROCEDURE

(A) Claims for benefits under the Plan shall be made in writing to the Plan Administrator.

(B) Limitation of Actions

No legal action may be commenced or maintained against the Plan (or the Employer or Plan Administrator) by any claimant unless that action is filed in the appropriate court no more than 180 days following the exhaustion of any administrative procedures set forth herein or by the Plan Administrator or such earlier date as is applicable under State law.

ARTICLE VII

OTHER PROVISIONS

7.1 AMENDMENT OF PLAN

The Employer may alter, amend, or modify the Plan at any time and from time to time. Notwithstanding the foregoing, no amendment to this Plan (including a change in the actuarial basis for determining an optional form of Retirement Income or an Early Retirement Income) shall be effective to the extent that it decreases a Participant's accrued benefit; provided, however, a Participant's accrued benefit may be reduced to the extent permitted under applicable State law. The Employer specifically reserves the right, however, to make such retroactive amendments as may be required by the Commissioner of Internal Revenue to preserve this Plan as a qualified Retirement Plan under section 401(a) of the Code and to maintain the tax-exempt status of its related Trust Fund under section 501(a) of the Code.

7.2 TERMINATION OF PLAN AND DISTRIBUTION OF TRUST FUND

The Employer may terminate the Plan at any time for any reason, provided that such termination is permitted by State law. Upon the termination of the Plan or the complete termination of contributions to the Plan, the rights of all Participants to benefits accrued to the date of such termination or discontinuance to the extent funded shall be nonforfeitable.

Upon termination of the Plan, the Trust Fund shall be apportioned and distributed in accordance with the following procedure:

- (A) The Plan Administrator shall determine the date of distribution and the asset value to be distributed, after taking into account the expenses of such distribution.
- (B) The Plan Administrator shall determine the method of distribution of the asset value (that is, whether distribution shall be by payment in cash, by transfer to Individual Retirement Accounts established under section 408 of the Code, by the maintenance of another or substituted trust fund, by the purchase of insured annuities, or in-kind based on the then market value). Such distributions will conform to the requirements of Article V herein and, in the event an annuity contract is purchased on behalf of a Participant, such contract will preserve and incorporate the provisions of Article V.
- (C) The Plan Administrator, after having first determined the asset value properly apportionable, shall apportion the asset value as of the date of termination of the Plan on the basis that the amount required to provide any given Retirement Income shall

mean the actuarially computed single-sum value of such Retirement Income; except that, if the method of distribution determined under Subsection 7.2(B) above involves the purchase of an insured annuity, the amount required to provide the given Retirement Income shall mean the single-premium payable for such annuity.

7.3 MERGER

The Employer reserves the right to merge or consolidate the Plan with, or transfer assets or liabilities to, any other Retirement Plan at any time for any reason, provided that such merger, consolidation, or transfer is permitted by State law.

7.4 FORFEITURES

Forfeitures and dividends shall not be used to increase the benefits that any Employee would otherwise receive under the Plan at any time prior to the termination of the Plan, but shall be anticipated in determining the costs under the Plan; provided, however, that this Section 7.4 shall not be interpreted so as to prevent the Employer from adopting Plan amendments which provide for increased benefits or Pensioner increases or other changes as seem appropriate from time to time.

7.5 MISCELLANEOUS

- (A) The headings of articles are included solely for convenience or reference and, if there is any conflict between any such heading and the text, the text shall control.
- (B) Any discretionary action permitted by the Plan to be taken by the Plan Administrator shall be an action which is uniform in its application to all persons concerned or affected by such discretionary action.
- (C) Any documents published and distributed to any Participant which summarize and explain the material provisions of the Plan shall not be construed or in any way interpreted as constituting the Plan and, in the event of any conflicts between the terms of such documents and the terms of the Plan, the terms of the Plan shall control.

7.6 CONSTRUCTION

The Plan and Trust Fund are established and accepted in the State of Georgia. All questions pertaining to the validity or construction of the Trust Fund and the Plan and the accounts and transactions of the parties shall be determined in accordance with the laws of the State of Georgia, except to the extent that such determination is subject to the provisions of federal legislation which may preempt jurisdiction of the subject matter. Should any

provision contained in the Plan or in any trust agreement pursuant to which the agreement is created be held unlawful, such provision shall be of no force and effect and the Plan or any such trust agreement shall be treated as if such portion had not been contained therein.

7.7 SEPARABILITY

Any provision or Section of the Plan adjudicated to be unlawful by a court of competent jurisdiction shall become null and void, but all other provisions of this Plan shall remain in full force and effect.

SIGNATURE PAGE

In witness whereof, the Council of the City Of Tifton has caused this instrument to be signed by the appointed Members of the Council, this _____ day of _____, 2009, but effective as of the respective dates referenced in the "Introduction" hereto.

