
**SUMMARY PLAN DESCRIPTION
CITY OF BRENTWOOD POLICE
AND FIRE FIGHTERS' PENSION PLAN
July 2015**

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OF THE
CITY OF BRENTWOOD POLICE
AND FIRE FIGHTERS' PENSION PLAN**

TABLE OF CONTENTS

		<u>Page</u>
(1)	General.....	1
(2)	Identification of Plan.....	1
(3)	Type of Plan.....	1
(4)	Board of Trustees and Plan Administrator of the City of Brentwood Police Officers and Fire Fighters' Pension Trust.....	2
(5)	Trust.....	3
(6)	Service.....	3
(7)	Eligibility to Participate.....	4
(8)	Tax Levied by Board of Aldermen.....	4
(9)	Employee Contributions.....	4
(10)	Military Service.....	4
(11)	Retirement Benefit.....	4
(12)	Deferred Vested Benefit.....	5
(13)	Cost of Living Increases.....	5
(14)	Disability Benefit.....	6
(15)	Death Benefit.....	8
(16)	Payment of Benefits.....	10
(17)	Domestic Relations Order.....	11
(18)	Refund of Employee Contributions.....	11
(19)	Small Benefits.....	11
(20)	Disqualification of Benefit Status - Loss or Denial of Benefit.....	12

(21)	Claims Procedure	12
(22)	Merger, Amendment and Termination	13
(23)	Payment of Fund Expenses	13
(24)	Taxation of Distributions	13

SUMMARY PLAN DESCRIPTION

(1) **General.** The legal name, address and Federal employer identification number of the City of Brentwood (“City”), the employer which established and sponsors the City of Brentwood Police and Fire Fighters’ Pension Plan (“Plan”), are –

City of Brentwood, Missouri
2348 South Brentwood Boulevard
Brentwood, Missouri 63144
Employer Identification Number 43-6000383

The Board of Alderman of the City established the Plan, pursuant to a City ordinance, to supplement your income upon retirement. However, the Plan may provide benefits in the event of your death or disability or in the event, under certain circumstances, of your termination of employment prior to normal retirement age. The Board of Trustees (“Board”) of the City of Brentwood Police and Fire Fighters’ Pension Trust (“Trust”), the trust which holds assets funding the Plan, administers the Plan and is responsible for the investment of assets funding the Plan. If you have questions after reading this summary, please ask a person identified under Section (4), **Board of Trustees and Plan Administrator of the City of Brentwood Police and Fire Fighters’ Pension Trust**, who is authorized to act on behalf of the Board.

We emphasize this summary is a highlight of the more important provisions of the Plan. It is not the complete Plan. In the case of any conflict between the contents of this summary plan description and the complete Plan, the complete Plan controls. The provisions of the Plan as described in this summary plan description are applicable to individuals who are participating in the Plan as of _____, 2015 and may not apply in the case of Participants who terminate employment with the City’s Police or Fire Departments before _____, 2015. If you have questions regarding the Plan as in effect prior to _____, 2015, you should contact one of the people authorized to act on behalf of the Board or the Plan Administrator as described in Section (4), Board of Trustees and Plan Administrator of the City of Brentwood Police and Fire Fighters’ Pension Trust. If you have questions regarding this summary plan description, please contact the Plan Administrator, Gina Jarvis, at (314) 963-8606.

(2) **Identification of Plan.** The Plan is known as the City of Brentwood Police and Fire Fighters’ Pension Plan.

The City assigned 001 as the Plan identification number. The Plan Year is the period on which the Plan maintains its records: January 1 through December 31.

(3) **Type of Plan.** The Plan is commonly known as a defined benefit pension plan. Under this type of plan, a Participant, who retires at retirement age, receives a fixed and determinable pension. Section (11), **Retirement Benefit** explains the benefits you may receive under the Plan at normal retirement age. Your benefits are actuarially determined and are based on the number of years you work for the City and the amount of compensation you earn from your employment.

A government agency known as the Pension Benefit Guaranty Corporation (“PBGC”) insures the benefits payable under plans which provide for fixed and determinable retirement benefits. Because the Plan is sponsored by the City, a political subdivision of the State of Missouri, the Plan is exempted from the PBGC insurance program and benefits under the Plan are not insured by the PBGC or any other agency.

(4) **Board of Trustees and Plan Administrator of the City of Brentwood Police Officers and Fire Fighters’ Pension Trust.** The Board is responsible for administering the Plan and the investment of assets funding the Plan. The Board’s address and telephone number are:

Board of Trustees
City of Brentwood Police and Fire Fighters’ Pension Trust
2348 South Brentwood Boulevard
Brentwood, Missouri 63144
Telephone (314) 962-4800

The Board has responsibility for making all discretionary determinations under the Plan and making distributions from the Trust, described in Section (5), **Trust**. The persons who compose the Board may change from time to time. The Board consists of persons holding the following offices:

- (a) Mayor of the City;
- (b) A member of the Board of Aldermen of the City who is appointed by the Mayor and whose appointment is ratified by the Board of Aldermen;
- (c) Treasurer of the City;
- (d) Chief of the City’s Police Department;
- (e) Chief of the City’s Fire Department;
- (f) A police officer employee of the City below the rank of Chief;
- (g) A fire fighter employee of the City below the rank of Chief.

Upon your request, the Plan Administrator furnishes you the name, address and telephone number of each member of the Board.

The Board is responsible for providing you and other Participants information regarding your rights and benefit under the Plan. It also has the primary authority for filing the various reports, forms and returns with the Internal Revenue Service and the State of Missouri.

The Mayor of the City is designated as the agent for service of legal process upon the Plan and a processor may serve legal process upon the Mayor at the address listed above. In addition, legal process may be served upon any other member of the Board, as described in this

Section (4), **Board of Trustees and Plan Administrator of the City of Brentwood Police and Fire Fighters' Pension Plan.**

The Board has designated Gina Jarvis, Finance Director of the City, as the Plan Administrator for accepting participant inquiries regarding the Plan and for receiving and processing claims for benefits under the Plan. If you have questions about the Plan, please direct them to Ms. Jarvis at (314)963-8606.

(5) **Trust.** The Board also serves as Trustee of the Trust under the Plan. The Board receives amounts collected from the proceeds of a tax, described in Section (8), **Tax Levied by Board of Aldermen**, levied by the Board of Aldermen of the City and amounts you contribute pursuant to the Plan. The tax revenues and Participants' contributions (See Section 9, **Employee Contributions**) are held in the Trust and are invested by the Board. In addition to its investment responsibilities, the Board makes all benefit payments from the Trust to Plan participants and beneficiaries.

(6) **Service.** The periods of your employment with the City used in calculating your right to Plan benefits are referred to as "Years of Service". The Plan conditions your right to earn a benefit for a Year of Service upon completion of a minimum period of employment. Section (11), **Retirement Benefit** explains this aspect of the Plan in the context of this topic.

You are credited with a "Year of Service" if you are an employee of the City's Police or Fire Departments for at least six months during an anniversary year of your employment. You are treated as being employed for periods during which you are on paid vacation and paid sick leave. You may also be treated as employed during periods of time you are on active duty with the Armed Forces of the United States. This is explained in Section (10), **Military Service.**

If you terminate employment with the City's Police or Fire Departments and receive a distribution of your employee contributions under the Plan, with interest, you lose your Years of Service earned before the distribution and are not entitled to additional benefits under the Plan. If you are subsequently reemployed as a police officer or fire fighter employee of the City, your Years of Service are not restored upon reemployment unless you satisfy the following requirements:

- (a) You are rehired as a police officer or fire fighter employee of the City within five years of your initial termination of employment;
- (b) You repay to the Trust after your reemployment the amount of employee contributions and interest you were paid when you first terminated employment as a police officer or fire fighter employee of the City along with interest at an annual rate of four and a half percent, compounded annually, from the date contributions and interest were first distributed to you to the repayment date;
- (c) You repay the amount described in (b), above, within three months of your reemployment.

If you satisfy these requirements, your Years of Service are restored for purposes of determining you entitlement to a benefit under the Plan.

(7) **Eligibility to Participate.** You need not complete any form for entry into the Plan but become a Plan participant on the date you commence employment as a salaried employee with the City's Police or Fire Departments other than as a watchman, school traffic officer, dispatcher or clerical employee. If you terminate employment with the City after becoming a participant in the Plan and later return to employment, you again participate immediately on your date of reemployment.

(8) **Tax Levied by Board of Aldermen.** The Plan is funded in part by the proceeds of a tax levied by the Board of Aldermen of the City on all taxable property annually assessed by the City.

(9) **Employee Contributions.** Each police officer and fire fighter employee of the City is assessed and required to contribute to the Trust an amount equal to six percent of such employee's compensation. For purposes of the Plan, your compensation only includes your basic monthly salary paid by the City. Base monthly salary includes pre-tax amounts withheld from your wages which are not included in your taxable compensation, such as your contributions to the Trust, the City's 457(b) plan and certain medical insurance premiums. Your required payments to the Trust are made by means of a deduction from your pay from the City. The amount deducted from your pay is not subject to Federal income tax until you receive a distribution from the Trust. Contributions deducted from your pay pursuant to this procedure are credited to an account for your benefit. Interest is credited to this account at a rate of four and one-half percent, compounded annually.

(10) **Military Service.** Years of Service are not credited for periods of service with the Armed Forces of the United States unless:

1. You return to the employment of the City after your military duty terminates, as required by applicable Federal law; and
2. You pay to the Trust the amount of employee contributions under Section (9), **Employee Contributions** you would have paid the Trust if you were in the employment of the City during your term of military service based upon your base pay from the City at the time your military service commences. You must pay your contributions during the period commencing with the date of your reemployment with the City and ending no later than the earlier of (i) a period equal to three multiplied by your term of military service from the date of your reemployment or (ii) five years from the date of your reemployment. You receive credit for your military service at the time your contributions are paid to the Trust.

If you receive a distribution of your employee contributions plus interest at the time you commence military service, you must repay such contributions and interest, as described in Section (6), **Service**, upon your reemployment by the City as a police officer or fire fighter to be credited for Years of Service you earned before you commenced military service.

(11) **Retirement Benefit.** If you retire from employment with the City's Police or Fire Departments on or after the Plan's normal retirement age of fifty-five with ten or more Years of

Service, you are entitled to a retirement benefit from the Plan (“Retirement Benefit”). You must file an application for Retirement Benefit with the Board.

Your monthly Retirement Benefit is the sum of (i) three and a half percent of your Final Compensation multiplied by your Years of Service (not to exceed twenty Years of Service), plus (ii) one percent of your Final Compensation multiplied by your Years of Service (not to exceed ten additional Years of Service). No additional benefits are paid on account of your minor children.

Your “Final Compensation” means the highest average monthly compensation you receive in any twenty-four consecutive calendar months of employment with the City as a police officer or fire fighter. It includes only your basic monthly salary paid by the City.

If you become eligible for a Disability Benefit under Section (14), **Disability Benefit** and a Retirement Benefit under this Section (11), **Retirement Benefit**, you must elect in writing which benefit to receive before payment of the benefit commences.

If you work beyond age fifty-five, you do not commence receiving your Retirement Benefit, if any, until you terminate employment with the City’s Police or Fire Departments.

(12) Deferred Vested Benefit. If you terminate employment with the City’s Police or Fire Departments for a reason other than death before attaining the Plan’s normal retirement age of fifty-five but after completing ten or more Years of Service and (ii) do not elect to withdraw your employee contributions, plus interest, as described in Section (6), **Service**, you are entitled to a Deferred Vested Benefit. You must file an application for the Deferred Vested Benefit with the Board before a Deferred Vested Retirement Benefit can be paid to you.

Your monthly Deferred Vested Benefit is the sum of (i) three and one half percent of your Final Compensation multiplied by your Years of Service (not to exceed twenty Years of Service), plus (ii) one percent of your Final Compensation multiplied by your Years of Service in excess of twenty (not to exceed ten additional Years of Service). No additional benefits are paid on account of your minor children. Payment of a Deferred Vested Benefit does not commence until the month immediately following the month in which your fifty-fifth birthday occurs.

If you become eligible for a Disability Benefit under Section (14), **Disability Benefit** and a Deferred Vested Benefit under this Section (12), **Deferred Vested Benefit**, you must elect in writing which benefit to receive before payment of your benefit commences.

If you terminate employment with the City and elect to receive a return of your employee contributions plus interest (see Section (9), Employee Contributions and Section 18, Refund of Employee Contributions) before payment of your benefit commences, you receive no additional benefit under the Plan unless you are reemployed by the City as a Police Officer or Fire Fighter and pay the amount you were paid on termination, plus interest, as provided in Section 6, Service.

(13) Cost of Living Increases. The monthly Retirement Benefit (see Section 11, **Retirement Benefit**) of a Plan participant who retires from the City as a police officer or fire fighter after age fifty-five with **twenty or more Years of Service** on or after January 1, 1999 is

annually increased by two percent, simple interest. The increase (called “COLA”) applies as of January 1 of each year. The increase only applies after payment of a Retirement Benefit commences. The COLA also applies to the Death Benefits paid to the participant’s surviving Spouse under Section (15)C, *Death Benefits of a Retired Participant*.

For a Plan benefit which commences other than on the first day of a calendar year, the two percent increase for the next following year is proportionately reduced for the portion of the prior year in which the benefit was not paid. If your Retirement Benefit commences on July 1, 2016, his or her Retirement Benefit, for example, is increased by only one percent, rather than two percent, for the year starting January 1, 2017. The two percent increase does not apply for a given year if, before January 1 of the year, the Board decides, in its sole discretion, that the increase is not to be applied for such year.

The aggregate amount of increases in the Retirement and Death Benefit of a participant and his or her surviving Spouse cannot exceed twenty percent of the Retirement Benefit first payable to the participant. A person is a participant’s Spouse if the participant is legally married to such person, under the laws of any state or foreign country, for at least twelve months before payment of such benefit commences. The cost of living increase only applies to the Retirement Benefits of a participant which is paid under Section (11) **Retirement Benefit**, who retires from the City after age fifty-five with twenty or more Years of Service and the Death Benefit of surviving Spouse of such a participant which is paid under Section (15)C, *Death Benefit of Retired Participant*. It does not apply to a Retirement Benefit (see Section (11), **Retirement Benefit**, of a participant who retires from the City after age fifty-five with less than twenty Years of Service, a Deferred Vested Benefit (see Section (12), **Deferred Vested Benefit**, of a participant who terminates employment before age fifty five with at least ten Years of Service, a Disability Benefit (see Section (14), **Disability Benefit**) of a disabled participant or a Death Benefit payable under any other section of Section (15), **Death Benefit**, other than the Death Benefit of a surviving Spouse of a Participant who is receiving or entitled to receive a Retirement under Section (15)C as described in the preceding sentence and who retired with at least twenty Years of Service.

(14) **Disability Benefit**. The Plan also provides a Disability Benefit in the event you become permanently disabled while in the employment of the City’s Police or Fire Departments if you satisfy other requirements described in this Section (14), **Disability Benefit**. The Plan defines permanent disability to be a physical or mental condition which renders you permanently unable to satisfactorily perform your duties as a fire fighter or police officer. You are not entitled to any type of a Disability Benefit if your disability results from a self inflicted injury or an injury or illness sustained while you are on active military duty. Also, you are not entitled to any type of a Disability Benefit if you incur a disability from injuries sustained or incurred in any employment or self-employment, other than performing duties as a police officer or fire fighter for which you are compensated by the City except that service as a private security officer within the city limits of the City is deemed to be within the scope of your duties as a police officer or fire fighter for which you are compensated by the City.

If you are eligible for both a Retirement Benefit (Section (11), **Retirement Benefit**) and a Disability Benefit (Section (14), **Disability Benefit**), you must make an election in writing as to which benefit you wish to be paid.

A. *Disability Incurred in Line of Duty.*

If you become permanently disabled as a result of injuries or disease sustained or incurred while performing duties as a fire fighter or police officer for which you are compensated by the City, you are entitled to a monthly Disability Benefit, except that you are not entitled to line of duty disability if you become disabled while on non paid leave of absence from the City.

Your line of duty Disability Benefit equals the greater of (i) seventy percent of your Final Compensation, or (ii) three and one-half percent of your Final Compensation multiplied by your Years of Service (not to exceed twenty Years of Service) plus one percent of your Final Compensation multiplied by your Years of Service in excess of twenty (not to exceed ten additional Years of Service). In addition, you are entitled to a monthly Disability Benefit for each Dependent Child, up to a maximum of three children, of ten percent of your Final Compensation for each child. A Dependent Child is a person under the age of eighteen for whom you are entitled to a Federal income tax dependency exemption. No Plan benefits are payable with respect to a child after he or she attains age eighteen.

B. *Disability not Incurred in Line of Duty for Employees with More Than Ten Years of Service.*

If you become permanently disabled, after completing ten Years of Services, as a result of injuries or disease sustained or incurred while not performing duties for the City's Police or Fire Departments for which you are compensated by the City, you and your Dependent Children are entitled to a monthly Disability Benefit equal to the amount described in Section (14)A.

C. *Disability not Incurred in the Line of Duty for Employees with More Than Five but Less Than Ten Years of Service.*

If you become permanently disabled, after completing at least five but less than ten Years of Service, as a result of injuries or disease sustained or incurred while not performing duties for the City's Police or Fire Departments for which you are compensated by the City, you are entitled to a monthly Disability Benefit equal to thirty-five percent of your Final Compensation. In addition, you are entitled to a monthly Disability Benefit for each Dependent Child, up to a maximum of three children, of five percent of your Final Compensation for each Child.

If you have less than five Years of Service, you are not entitled to a Disability Benefit unless your disability is incurred in the line of duty as described in Paragraph A of this Section (14), **Disability Benefit**.

Prior to receiving a Disability Benefit, two or more members of the Medical Board must certify to the Board that your disability is permanent and total and that you should be retired from service with the City's Police or Fire Departments. The Medical Board shall consist of three physicians and/or medical experts appointed by the Board.

If you are receiving a Disability Benefit, the Board has the discretion to require you to undergo a physical exam by the Medical Board. If two or more members of the Medical Board find that your permanent disability has ceased, your right to a Disability Benefit terminates

immediately. If you refuse to submit to such exam, your rights to Disability Benefits are suspended. If your refusal continues for a period of one year, you forfeit all rights to Disability and Retirement benefits under this Plan.

The Plan pays the cost of medical examinations necessary to determine if a disability exists. If your application for a Disability Benefit is denied and you reapply for benefits, you must pay the cost of any medical examinations performed in connection with the subsequent application if it relates to the same injury or illness that was involved in your initial application.

Payment of your Disability Benefit terminates at the time you are no longer permanently disabled. In this event, you are no longer considered a retired employee eligible for retirement benefits unless you are otherwise eligible or become eligible for retirement because of age, service or subsequent disability.

(15) Death Benefit. The Plan also provides benefits in the event of your death if you otherwise satisfy certain conditions described in this Section (15).

A. *Death Benefit for an Active Employee Dying in Line of Duty.*

If you die as a result of bodily injuries or disease sustained or incurred while performing duties for the City's Police or Fire Departments for which you are compensated by the City, your Spouse is paid a monthly Death Benefit, until your Spouse dies or remarries, equal to the greater of (i) 46.667 percent of your Final Compensation or (ii) 2.333 percent of your Final Compensation multiplied by your Years of Service (not to exceed twenty Years of Service), plus .667 percent of your Final Compensation multiplied by your Years of Service in excess of twenty (not to exceed ten additional Years of Service). In the event you die in the line of duty as provided in the immediately preceding sentence, your Spouse is not required to be married to you for twelve consecutive months prior to your death in order for you to be entitled to a Death Benefit on account of your death in the line of duty. An additional monthly benefit is paid to each of your Dependent Children, up to a maximum of three children, in an amount equal to ten percent of your Final Compensation for each child. No Plan benefits are payable with respect to a child after he or she attains age eighteen. No death benefits are paid under this Section (15)A, *Death Benefit for an Active Employee Dying in the Line of Duty* if your death results from illness or injury sustained or incurred while on military duty or unpaid leave of absence, self-inflicted illness or injury, or illness or injury sustained or incurred in any employment or self-employment other than performing your duties as a police officer or fire fighter for which you are compensated by the City except that performance of duties as a police officer or fire fighter for which you are compensated by the City includes service as a private security officer within the city limits of the City.

If your Spouse becomes entitled to a Death Benefit under both this Section (15)A, *Death Benefit for an Active Employee Dying in the Line of Duty* and Section (15)C, *Death Benefit of a Retired Participant*, he or she must elect in writing which Death Benefit to receive.

B. *Death Benefit for an Active Employee not Dying in Line of Duty.*

If you die as a result of bodily injury or disease sustained while not performing duties for the City's Police or Fire Departments while an active employee of the City with ten or more

Years of Service, your Spouse is paid a monthly Death Benefit, until your Spouse dies or remarries, in an amount equal to the greater of (i) 46.667 percent of your Final Compensation or (ii) 2.333 percent of your Final Compensation multiplied by your Years of Service (not to exceed twenty Years of Service) plus .667 percent of your Final Compensation multiplied by your Years of Service in excess of twenty (not to exceed ten additional Years of Service). An additional monthly Death Benefit is paid to each of your Dependent Children, up to a maximum of three Dependent Children, in an amount equal to ten percent of your Final Compensation for each Child. No Plan benefits are payable with respect to a child after he or she attains age eighteen. No Death Benefit is paid under this Section (15)B, *Death Benefit of an Active Employee not Dying in the Line of Duty*, if your death results from illness or injury sustained or incurred while on military duty or from a self-inflicted illness or injury. Also, no Death Benefit is paid under this Section 15(B), *Death Benefit of an Active Employee not Dying in the Line of Duty*, if your death occurs from an injury or illness incurred in any employment or self-employment other than performing your duties as a Police Officer or Fire Fighter for which you are compensated by the City except that performance of duties for which you are compensated by the City includes service as a private security officer within the city limits of the City.

If your Spouse becomes entitled to a Death Benefit under this Section (15)B, *Death Benefit for an Active Employee not Dying in the Line of Duty* or (15)C, *Death Benefit of a Retired Participant*, he or she must elect in writing which Death Benefit to receive.

C. *Death Benefit of a Retired Participant.*

If you die after retiring or becoming eligible to retire on or after age fifty-five (see Section (11), **Retirement Benefit**) from employment in the City's Police or Fire Departments, your Spouse is paid a monthly Death Benefit, until he or she dies or remarries, in an amount of two-thirds of the retirement benefit you were receiving or were entitled to receive at the time of your death. No Death Benefit is payable to your Dependent Children.

If your Spouse becomes entitled to a Death Benefit under this Section (15)C, *Death Benefit of a Retired Participant* and either Section (15)A, *Death Benefit for an Active Employee Dying in the Line of Duty* or Section (15)B, *Death Benefit for an Active Employee not Dying in the Line of Duty*, he or she must elect in writing which Death Benefit to receive.

D. *Death Benefit of a Deferred Vested Retiree.*

If you die and are receiving or are entitled to receive a Deferred Vested Benefit (see Section (12), **Deferred Vested Benefit**), your Spouse is paid a monthly Death Benefit, until he or she dies or remarries, in an amount equal to two-thirds of the Deferred Vested Benefit you were receiving or were entitled to receive. No Death Benefit is payable to your Dependent Children. If you die before age fifty-five, payment of the Death Benefit to your Spouse does not commence until the first month immediately following the month in which you would have attained age fifty-five had you survived to your fifty-fifth birthday.

E. *Death Benefit of a Former Employee receiving Disability Benefits.*

If you die while receiving a line of duty Disability Benefit (See Section (15)A, *Disability Incurred in line of Duty*) or while receiving a Disability Benefit for a disability not incurred in a

line of duty if you have more than ten Years of Service (See Section (15)B, *Disability not Incurred in Line of Duty for Employees with More Than Ten Years of Service*), your Spouse is paid a monthly Death Benefit, until he or she dies or remarries, in an amount equal to two-thirds of the monthly Disability Benefit you were receiving or were entitled to receive. A Benefit continues to be paid to your Dependent Children as described in Sections (14)A and B.

If you retire on account of disability described in Section (14), **Disability Benefit** and subsequently recover from the disability, you are no longer considered a “retired employee” eligible for death benefits unless you are otherwise eligible or become eligible under another provision of the Plan.

F. *Other Death Benefits.*

If you die while an active employee of the City’s Fire or Police Departments, or while receiving a Retirement or Disability Benefit, your surviving Spouse, or, if you leave no surviving Spouse, your designated beneficiary, is paid \$5,000 in a single sum. This benefit is in addition to other Plan benefits which are payable on account of your death.

If you die and have not received any benefit under the Plan and neither your surviving Spouse nor your dependent children are entitled to any benefit under the Plan, other than the \$5,000 Death Benefit discussed in the first paragraph of this Section (15)F, the employee contributions you made under the Plan, plus interest, are paid to your Spouse or your beneficiary if you do not have a Spouse at the time of your death. If at the time of your death, (i) you have commenced receiving a benefit under the Plan, (ii) the amount of benefit you have received at the time of your death is less than the total amount of your employee contributions to the Plan, plus interest, and (iii) neither your Spouse nor any beneficiary is entitled to further Plan Benefit after your death, other than the \$5,000 Death Benefit discussed above, your Spouse, or beneficiary if you have no Spouse at the time of your death, is paid the difference between the amount of your contributions, plus interest on the contributions, less the amount of benefit you received from the Plan prior to your death.

If you die without a Spouse or without having designated a beneficiary, amounts payable under this Section (15)F on account of your death are paid to your estate.

G. *Death While in Active Military Service.*

If you die while in active military service, you are treated as if you returned to active employment in the Police or Fire Department and then died. In this event, your Spouse or beneficiaries is entitled to a death benefit, if any, as provided in this Section (15), **Death Benefit**.

(16) **Payment of Benefits.**

With the exception of the \$5,000 Death Benefit described in Section (15)F, *Other Death Benefits*, you may be paid only one type of benefit under the Plan. If you qualify for both a Retirement Benefit under Section (11), **Retirement Benefit** and a Disability Benefit under Section (14), **Disability Benefit**, you must, for example, elect which benefit will be paid.

Payment of Plan benefits commences on the twenty-fifth day of the month immediately following the month in which the event giving rise to the payment occurs, such as your retirement from the City after qualifying for a Retirement Benefit. A payment for each succeeding month is also made on the twenty-fifth day of such month.

(17) Domestic Relations Order.

As a general rule, your interest in the Plan may not be sold, used as collateral for a loan, given away or otherwise transferred. In addition, your creditors may generally not attach, garnish or otherwise interfere with your Plan benefit.

There is an exception, however, to this general rule. The Board may be required by law to recognize obligations you incur as a result of court ordered child support or alimony payments which is a “qualified domestic relations order.” The Board must honor a qualified domestic relations order. A “qualified domestic relations order” is a decree or order issued by a court that obligates you to pay child support or alimony, or otherwise allocates a portion of your benefits under the Plan to your Spouse, former Spouse, child or other dependent. If a qualified domestic relations order is received by the Board, all, or a portion of your interest, may be used to satisfy the obligation. The Board determines the validity of any domestic relations order it receives.

(18) Refund of Employee Contributions.

If you terminate employment with less than ten Years of Service and are not entitled to any other benefit under the Plan, you are refunded your employee contributions you made to the Plan, plus interest, and are entitled to no further Plan benefit. This amount is paid to you in the form of a lump sum distribution upon termination of your employment.

If you terminate employment with less than twenty but more than ten Years of Service, you can also elect to receive a refund of contributions you made to the Plan with credited interest, as described above. If you make this election, you are not entitled to any other benefit under the Plan.

You may also elect, at the time payment of your Retirement or Disability Benefit commences, to have the amount of contributions you made to the Plan paid to you in a lump sum. Similarly, your surviving Spouse or dependent children, in the event of your death, may also elect to have your contributions paid in a single sum at the time payment of your Death Benefit commences. This payment does not include interest on the contributions. In the event your contributions are paid at the time your Plan benefit commences, the monthly amount of the Plan benefit is reduced by the actuarial equivalent of the contributions. Prior to the time payment of your benefit commences, you are informed of the financial effect of electing to withdraw your contributions prior to the commencement of the benefit.

(19) Small Benefits. If the actuarial equivalent of your Plan benefit is \$5,000 or less when payment of your benefit is to commence, the actual equivalent is paid to you in a single, lump sum payment and you or your beneficiary will not receive any other benefit under the Plan. If total amount of your Plan benefit payable as a single sum is \$5,000 or less and you or your beneficiary do not elect to (i) have the benefit direct paid to you or your beneficiary or (ii) rolled

or directly transferred to an individual retirement account (“IRA”) or another plan, the Plan Administrator causes the distributions to be transferred to an IRA designated by the Board.

(20) Disqualification of Benefit Status - Loss or Denial of Benefit. If you knowingly, or willfully, make any false statement for the purpose of securing a benefit under the terms of the Plan or falsify any Plan records in an attempt to defraud the Plan, you will be adjudged guilty of a misdemeanor and forfeit all rights, interest and privileges under the Plan. In addition you may be subject to a fine of not less than fifty dollars nor more than one hundred dollars and/or to imprisonment not to exceed ninety days or both fine and imprisonment.

If you are entitled to a benefit under the Plan following termination of your employment and the Board is unable to locate you at your last address of record, you may forfeit your benefit under the Plan. Therefore, it is very important to inform the Board of your current mailing address even though you may no longer be employed with the City’s Police or Fire Departments. In addition, you should also keep the Board informed as to your marital status, ages of your children and any other matters relating to your rights or the rights of your beneficiaries to receive benefits under the Plan.

(21) Claims Procedure. After an event occurs which entitles you to a payment of your benefit under the Plan, you must, in order to start payment of your Plan benefit, file an application for payment with the Plan Administrator. You are provided a form for this purpose by the Plan Administrator. The Plan Administrator must notify you in writing of his or her initial determination of your benefit within ninety days of his or her receipt of your application for the benefit. The Plan Administrator may extend the period to respond to your application by an additional ninety days provided the Plan Administrator gives you written notice of the extension before the initial ninety day period expires.

The Plan Administrator must give you written notice of his or her determination. If your application is denied in whole or in part, the Plan Administrator must, in his or her written notice provide:

- (a) The specific reason for the denial;
- (b) The specific references to pertinent Plan provisions on which the Plan Administrator bases its denial;
- (c) Describe any additional material or information you need to provide to perfect your claim and an explanation of why the material or information is needed.
- (d) That, if you want to appeal the adverse determination, you must do so in writing to the Board within seventy-five days after receipt of the Plan Administrator’s notice of denial of the benefit. The Plan Administrator’s notice must advise that failure to appeal his or her decision to the Board within the seventy-five day period causes the Plan Administrator’s determination to be final, binding and conclusive. The Plan Administrator’s notice of denial of the benefit identifies the name of each member of the Board and the name and address of the Board member to whom you may forward your appeal.

If the determination of the Plan Administrator is not provided to you within the time periods described above, your application for the benefit is deemed denied.

If you appeal the Plan Administrator's denial of your application for the benefit to the Board, you, or your representative, may submit to the Board, in writing, whatever issues or comments you or your authorized representative feels are pertinent. You, or your authorized representative, may also review Plan documents and records. You, or your authorized representative, also have the right to appear before the Board to explain your position with respect to the Plan Administrator's denial of your application.

The Board will re-examine all facts related to your appeal and make a determination as to whether the denial of the benefit was justified under the circumstances. The Board will advise you of its decision in writing within seventy-five days of its receipt of your written request for review, unless special circumstances (such as a hearing) would make the rendering of a decision within the seventy-five day limit unfeasible. In no event, however, will the Board render its decision more than one hundred and twenty days after its receipt of a request for review. The Board's decision shall be written so you will understand it and shall include:

- (a) Specific reason or reasons for the decision; and
- (b) Specific reference to the pertinent Plan provisions on which the decision is based.

The Board maintains minutes of any meeting denying a claim for a benefit and any review thereof and copies of these minutes are provided to you upon request.

If the Board's decision on review is not provided within the time periods described above, the appeal of the application is deemed denied.

(22) Merger, Amendment and Termination. The Board of Aldermen of the City has the authority to amend or terminate the Plan at any time. In the event it is decided that the Plan should be merged or consolidated with another plan or assets transferred to another plan, the merger or consolidation can occur only if your benefit under the new plan is at least equal to the benefit you would have received if the Plan had terminated immediately before the transfer, merger or consolidation.

(23) Payment of Fund Expenses. Expenses incurred in operating the Plan are paid out of Trust assets. The City is not responsible for the payment of such expenses.

(24) Taxation of Distributions. Distributions received pursuant to the Plan are generally taxable for Federal income tax purposes. However, your contributions to the Plan made before February 21, 1989, if any, were made on an after tax basis. Accordingly, distributions, to the extent attributable to your pre February 21, 1989 contributions, are not taxable. The Plan Administrator tells you what portion of your distribution is attributable to such contributions and not taxable.

The taxable portion of a single sum distribution received by you or your beneficiary may be rolled to an IRA (including a Roth IRA), another qualified retirement plan, a 403(b) plan or a 457(b) plan maintained by a government within sixty days after the distribution is received. In

this event, amounts rolled to an IRA or a plan are not taxed until distribution is made from the IRA or plan. Even if the distribution is so rolled, it is subject to a twenty percent Federal withholding tax upon distribution from the Plan. You receive credit for the withholding tax on your income tax return for the year in which the distribution is made. Any portion of the distribution which is not transferred to an IRA or plan, including the withholding tax, is taxed. Accordingly, you must, in this event, also pay an amount equal to the withholding tax transferred to the IRA or plan with other funds to avoid having any portion of the distribution taxed. However, you may have a single sum distribution transferred directly from the Plan to an IRA or plan to be held for your benefit instead of receiving the distribution and then transferring it to an IRA or plan. In this event, the twenty percent tax will not be withheld.

If you or your beneficiary elects to have your employee contributions returned before payment of your Plan benefit commences (see Section (18), **Refund of Employee Contributions**), the amount of employee contributions returned may be rolled or direct transferred to an IRA or plan on a tax deferred basis.

If you die, your Spouse or beneficiary may elect to leave a single sum payment of your Plan benefit rolled to an IRA or plan except that your beneficiary may only have the distributions rolled or directly transferred to an “inherited” IRA.

Single sum payments received from the Plan before you attain age fifty-nine and a half may be subject to a ten percent early distribution excise tax.

Monthly distributions are not subject to these rules and are fully taxable for Federal income tax purposes, except to the extent they are attributable to your pre February 21, 1989 contributions, if any.

You should consult with your tax advisor regarding distributions from the Plan at the time such distributions are scheduled to commence.