

RETIREMENT PLAN
for
FULL-TIME GENERAL EMPLOYEES
of
THE TOWN OF EAST HARTFORD
Amended and Restated July 1, 2005



ID # 06-6001989
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Retirement Plan
For Full-Time General Employees
Of
The Town of East Hartford

PREAMBLE

WHEREAS, the Town of East Hartford, Connecticut (the “Town”), established the Retirement Plan for Full-Time General Employees of the Town of East Hartford (the “Plan”) for eligible employees, effective June 27, 1941, and has subsequently been amended from time to time. The original plan and all amendments were ratified by the Town Council and are incorporated into this restated plan.

WHEREAS, the Retirement Board, in accordance with its authority granted under the Ordinances of the Town of East Hartford, Connecticut and the Plan does hereby amend and restate the Plan in its entirety effective July 1, 2005 unless otherwise required by federal legislation or as set forth in the Plan.

NOW, THEREFORE, the Plan, as amended and restated effective July 1, 2005 is hereby received by the Retirement Board, amending and restating the Retirement Plan for Full-Time General Employees of the Town of East Hartford. This Plan has been amended to comply with the following legislation. Tax Reform Act of 1986 (TRA '86), the Omnibus Budget Reconciliation Act of 1986 (OBRA '86), the Omnibus Reconciliation Act of 1987 (OBRA '87), the Technical and Miscellaneous Revenue Act of 1988 (TAMRA), the Omnibus Budget Reconciliation Act of 1989 (OBRA '89), the Unemployment Compensation Act of 1992 (UCA '92), the Omnibus Budget Reconciliation Act of 1993 (OBRA '93), the Family and Medical Leave Act, the Uniformed Services Employment and Reemployment Rights Act (USERRA), the Small Business Job Protection Act of 1996 (SBJPA '96) the Taxpayer Relief Act of 1997 (TRA '97) and subsequent legislation.

Each provision in this revised document is deemed to be effective as of the effective date required by each respective and applicable law unless otherwise stated in the Plan. Unless otherwise stated herein, the rights of Employees who terminated service on or before June 30, 2005 shall be governed by the terms of the Plan and/or applicable collective bargaining agreement in effect at the time of termination of service.

This Plan is intended to be a governmental plan under Section 414(d) of the Internal Revenue Code and “qualified” as such under Section 401(a) of the Internal Revenue Code.

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ARTICLE I – DEFINITIONS

Section 1.01. Actuary.

The term “Actuary” shall mean a member of the Society of Actuaries, or an organization employing such a member, appointed and compensated by the Retirement Board to render actuarial and/or consulting services with respect to the Retirement System.

Section 1.02. Continuous Service.

- (a) The term “Continuous Service” shall mean uninterrupted employment of an Employee with the Town. Continuous Service with the Town shall not be broken in the event of: (i) absence approved by the Retirement Board, during any period not in excess of one year, except that the Retirement Board may consent to extend the period of leave; or (ii) absence from work because of occupational injury or disease incurred as a result of employment with the Town, for which absence an Employee shall be entitled to Workers’ Compensation payments.
- (b) An Employee shall not receive Credited Service in the case of the period of absence set forth in section 1.02(a), above, but shall retain Credited Service accrued prior to such absence. Upon return to employment after an approved absence, the Employee will again accrue Credited Service.
- (c) Non-Work Periods Credited. Except as provided in this Section 1.02(c), a Participant shall not receive Credited Service for periods of absence from employment during which he receives no compensation from the Town and does not make Participant Contributions.
 - (1) Military Service. The Retirement Plan will grant Credited Service and years of vesting service in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) for a Participant who was an Employee immediately before the commencement of military service as defined in USERRA, provided such Participant returns to employment with the Town within the “Required Period” of time set forth in paragraphs (2)(A) through (D) below. Credited Service shall only be granted if the Participant fulfills the requirements of paragraph Section 1.02(c)(3).
 - (2) Required Period. Under USERRA, the “Required Period” depends on the length of Military Service. In general, the Required Period is:
 - (A) one day after a Participant’s Military Service ends (if such service was less than 31 days);
 - (B) 14 days after a Participant’s Military Service ends (if such service was more than 30, but less than 181 days); and
 - (C) 90 days after a participant’s Military Service ends (if such service was more than 180 days).
 - (D) If a Participant is hospitalized for or recovering from an illness or injury that was incurred or aggravated during Military Service, USERRA requires that such Participant register for reemployment with the Town as

soon as he has recovered. Except as otherwise provided by USERRA, this recovery period cannot exceed two years.

- (3) A Participant who enters the Armed Forces of the United States for a period of not more than five years (consecutive or individual years), is separated from active duty under conditions other than a dishonorable discharge, and returns to or makes himself available for work within the period specified in Section 1.02(c)(2)(A)-(D), shall be granted not to exceed one year of Credited Service for vesting purposes only in any one Calendar Year, up to a maximum of five years of Credited Service for vesting purposes, for such active duty in the Armed Forces.
- (4) A Participant returning from military service who meets the requirements of Section 1.02(c)(1)-(2) shall have the right to make up his Employee Contributions and thereby receive Credited Service for benefit accrual purposes equal to his period of military service, to a maximum of five years of Credited Service. Such Participant must notify the Retirement Board upon reemployment of his desire to repay his Employee Contributions. Such Contributions shall be made either in a lump sum payment or on a post-tax basis over a period equal to the lesser of (1) three times his military service or (2) five years. The amount of Employee Contributions owed to the Plan shall be equal to—
 - (A) the Employee contribution rate in effect immediately before the commencement of military service, multiplied by
 - (B) the Employee's earnings for the preceding 12- month period prior to his military service, multiplied by
 - (C) the number of years and months of military service, to a maximum of five years; plus
 - (D) compounded interest at the rate of four (4%) percent annually.
- (5) To the extent required by USERRA, a Participant must inform the Town in writing before entering Military Service to be eligible for years of Credited Service for vesting purposes as described above.

Section 1.03. Credited Service.

- (a) The term "Credited Service" shall mean the number of full years of Continuous Service and fractions thereof to the nearest completed month with the Employer, plus any service that is required to be credited under Section 1.02, above, as determined by the Retirement System to the earlier of his date of termination of employment, or his actual retirement date. A Participant will not receive Credited Service for any period of which he is eligible hereunder if he does not make the necessary Employee contribution as described in Article II.
- (b) Credit for Military Service Prior to Employment with the Town. An active Employee in the Town's employment as of March 1, 1988, who served in the U.S. military on active, full-time duty for one or more years prior to the date of his employment may buy back, in whole years, up to 4 years of that service time for purposes of his pension accrual. In

order to have been eligible to “buy back” such military service, eligible Employees must have advised the Director of Human Resources, in writing, of their desire to do so prior to March 1, 1989. Employees hired after March 1, 1988, must advise the Director of Human Resources, in writing, within 90 days of their date of hire of their desire to “buy back” any such military time. The cost to the Employee of this “buy back” shall be determined by the Plan’s Actuary and shall be equal to a percentage of such Employee’s salary for each year purchased (maximum four (4) years). Purchase must be made in full year increments with a minimum purchase of one (1) year. Employees will have up to three (3) years to make payment to the Retirement Board through any means acceptable to the Retirement Board. Any additional years of military service time that is purchased shall be added to an Employee’s Credited Service at actual retirement, and are not includable for the “Rule of 85” eligibility or for any eligibility purposes to attain any benefit under this Retirement Plan.

Section 1.04. Early Retirement Date.

The term “Early Retirement Date” shall mean the date upon which a Participant becomes eligible for an early retirement pension benefits pursuant to section 6.03.

Section 1.05. Effective Date.

The effective date of the Retirement System was originated by the State Legislature on June 27, 1941; however, as used hereafter, the term “Effective Date” shall mean July 1, 2005 through June 30, 2015.

Section 1.06. Employee.

The term “Employee” shall mean a full-time active Employee in the service of the Town of East Hartford, who is not in the uniformed service of the Fire or Police Departments or covered by the Connecticut State Teachers’ Retirement System or the Board of Education Paraprofessional Pension Plan.

Section 1.07. Employer.

The term “Employer” shall mean the Town of East Hartford.

Section 1.08. Final Average Salary.

- (a) **In General.** The term “Final Average Salary” shall mean the Employees’ average annual pay, including overtime, holiday, longevity payments, and vacation pay for the 36 consecutive months of service based on the Plan Year, with the Employer that result in the highest annual average compensation. Final Average Salary shall also include any deferred salary or deferred wages that are considered annual salary or pay/wages during the period used to determine Final Average Salary. In addition, Final Average Salary shall include any lump sum payments resulting from unused accrued terminal/sick leave and unused vacations, subject to the maximums contained in the appropriate collective bargaining agreements.
- (b) **Special Rule for Employees Hired After December 1, 1996.** For Employees hired after December 1, 1996, the lump sum payment for unused accrued terminal/sick leave

shall not be included in the determination of Final Average Salary; however, the lump sum payment for unused vacation shall be included in the determination of such Final Average Salary.

Section 1.09. Interest.

The term “Interest” shall mean interest compounded annually on the last day of the Plan Year at the current rate of four percent (4%), as that rate may be determined and adjusted from time to time by the Retirement Board.

Section 1.10. IRC.

The term “IRC” means the Internal Revenue Code of 1986, as it may be amended from time to time. Reference to a section of the Code shall include that section and any comparable section of any future legislation that amends, supplements or supersedes said section.

Section 1.11. Joint Pensioner.

The term “Joint Pensioner” shall mean any person entitled to receive a Joint Pension after the death of an Employee pursuant to Article VII.

Section 1.12. Normal Retirement Age.

The term “Normal Retirement Age” shall mean the date upon which an Employee reaches his or her Normal Retirement Date as that term is defined in Section 6.01.

Section 1.13. Participant.

The term “Participant” shall mean an Employee who has satisfied the Eligibility requirements set forth in Article III.

Section 1.14. Permanently and Totally Disabled.

- (a) **Non-Service Connected Disability.** The term “Permanently and Totally Disabled” for purposes of the Non-Service Connected Disability Benefit shall mean that an Employee is physically or mentally unable, as a result of bodily injury or disease, to engage in any regular gainful employment or occupation, and that such disability was not the result of the Employee’s own willful misconduct or resulting from service in the Armed Forces of any country for which a service connected government disability award is payable and is expected to be permanent and continuous for the remainder of the Employee’s life.
- (b) **Service Connected Disability.** The term “Permanently and Totally Disabled” for the Service Connected Disability Benefit shall mean that an Employee is physically or mentally unable, as a result of bodily injury or disease, to engage in or perform the normal duties of his regular occupation with the Town, and that such disability was not the result of the Employee’s own willful misconduct or resulting from service in the Armed Forces of any country for which a service connected government disability award is payable, and is expected to be permanent and continuous for the remainder of the Employee’s life.

- (c) **Willful Misconduct.** For purposes of this Retirement Plan, willful misconduct shall be construed to include, but is not limited to, the following events:
- (1) disability resulting from an intentionally self-inflicted injury;
 - (2) disability that was contracted, suffered or incurred while the Employee was engaged in or resulted from having engaged in a felonious enterprise;
 - (3) disability resulting from chronic alcoholism or addiction to narcotics.

Section 1.15. Pension or Pensions.

The term “Pension or Pensions” shall mean a payment made to a Retired Employee, Vested Employee or such individual’s Joint Pensioner according to the provisions of this Retirement System, other than a return of contributions with Interest.

Section 1.16. Plan Year.

The term “Plan Year” shall mean the 12 months from July 1st of any year to June 30th of the following year, both dates inclusive.

Section 1.17. Regular Compensation.

- (a) **In General.** The term “Regular Compensation” shall mean the annual salary or wages of an Employee for services with the Town, including overtime, holiday, longevity payments and vacation pay. It shall also include any deferred salary or deferred wages that are considered annual salary or pay/wages during the period used to determine Final Average Salary. Effective for Employees hired on or after July 1, 1996, the amount of pay, for purposes of this section shall be limited to a maximum of \$150,000 in a calendar year, or such other amount as prescribed by the Secretary of the Treasury pursuant to IRC §401(a)(17). For employees hired prior to December 1, 1996, Regular Compensation shall also include any lump-sum payment resulting from unused accrued terminal/sick leave and unused vacation (subject to the maximums contained in the appropriate collective bargaining agreements).
- (b) **Special Rule for Employees Hired After December 1, 1996.** For Employees hired after December 1, 1996, the lump sum payment for unused terminal/sick leave shall not be included in the determination of Regular Compensation; however, the lump sum payment for unused vacation shall be included in the determination of Regular Compensation.

Section 1.18. Required Beginning Date.

The term “Required Beginning Date” shall mean the later of April 1 of the calendar year following the calendar year in which a Participant reaches age 70½ or terminates employment.

Section 1.19. Retired Employee.

The term “Retired Employee” shall mean a former Employee continuously employed by the Town until the commencement of a Pension, who meets the requirements to receive a Normal, Early or Disability Pension from the Town and who is receiving a Pension provided for

hereunder. A Vested Employee as defined in Section 1.23 below will not be considered a “Retired Employee.”

Section 1.20. Retirement Board.

- (a) **Membership.** The term “Retirement Board” shall mean the Board herein created for the administration of the Retirement System. The Board shall consist of five members, not more than three of whom shall belong to any one political party as follows: A member of the Town Council; the Town Treasurer; and three citizens of the Town of East Hartford, one of whom shall be a member of the Retirement System as selected by a coalition of the various bargaining groups of the Town.
- (b) **Appointment and Term.** All members, except the Town Treasurer, shall be appointed by the Mayor, with consent of the Town Council. The Town Treasurer and the member representing the Town Council shall be appointed for a term of two years; the other three members shall be appointed for terms of five years, and their respective successors shall be appointed for five-year terms, provided, the term of office of such member shall continue until his successor shall be appointed and shall have qualified.
- (c) **Vacancies.** In the event of a vacancy on said Board, such vacancy shall be filled in the same manner as the member so to be succeeded was appointed or elected. In no event shall any person remain a member of said Board, except during the time he continues to be a member of the Board or body from which he was appointed or elected.
- (d) **Compensation.** The members of the Retirement Board shall serve without compensation.
- (e) **Authority of Board.** The Board shall make bylaws and regulations that are consistent with the law; shall employ such actuarial, medical, clerical and other services as may be necessary for the proper operation of the Retirement System, and shall do all things necessary and proper toward carrying out the purpose for which the Retirement system was created.
- (f) **Administrative Expenses.** The Board shall submit annually to the Town Council a schedule of its estimated expenses necessary for the administration of this Retirement System, and all such expenses of administration shall be paid by the Town.
- (g) **Board is Trustee.** The Board shall be the Trustee of the funds herein created and shall have full control and management thereof, with power to invest and reinvest the same in accordance with the laws of the state governing the investment of trust funds.
- (h) **Authority to Enter into Group Annuity Contract.** The Retirement Board may enter into a group annuity contract with any insurance company authorized to transact business in the State of Connecticut to insure the entire Retirement Plan or such portion thereof as the Board shall deem advisable, provided any such contract, before actually being consummated, shall be approved by a two-thirds (2/3) vote of the Town Council.

Section 1.21. Retirement Fund.

The term “Retirement Fund” shall mean the fund derived from contributions made as herein provided for the payment of Pension benefits to Retired Employees under this Retirement System.

Section 1.22. Retirement System/Retirement Plan.

The term “Retirement System” or “Retirement Plan” shall mean the plan of retirement and other benefits for General Employees of the Town of East Hartford as set forth in and by this document and all subsequent amendments thereto, and, as used herein, excludes the Retirement Plans for full-time active Employees of the Police and Fire Departments.

Section 1.23. Vested Employee.

The term “Vested Employee” shall mean any former Employee who terminates employment and who subsequently qualifies for a deferred vested Pension under Article VIII, relating to termination of service.

Section 1.24. Vested Status.

The term “Vested Status” shall mean the attainment by the Employee of a nonforfeitable right to a pension benefit.

- (a) For Employees hired before March 1, 1983, Vested Status means the completion of eight (8) years of Credited Service;
- (b) For employees hired on or after March 1, 1983, Vested Status means the completion of ten (10) years of Credited Service;
- (c) Periods of time during which an Employee is on leave under the Family and Medical Leave Act (up to 501 hours) or military service in accordance with 1.02 shall be counted for purposes of determining Vested Status.

ARTICLE II – CONTRIBUTIONS

Section 2.01. Employee Contributions.

Effective February 2, 2006 the rate of contribution to be made by a Participant in the Retirement Plan shall equal 8% of Regular Compensation. Such Employee contribution will cease to be contributed at the end of the Plan Year when the allowable maximum pension benefit amount is attained as defined in Section 4.04.

Section 2.02 Employer Contributions.

- (a) At least once every two years, the Retirement Board shall be required to have an Actuary perform an actuarial valuation of the assets and liabilities of the Retirement System and the amount of contributions from the Employer, in addition to the Employee Contribution, that will be necessary to adequately finance the benefits under the Retirement System.
- (b) On the basis of each valuation, the Town shall pay the Retirement Board each year, an amount that will meet the actuarial cost of current service or normal cost and, until it is amortized, the unfunded accrued liability.
- (c) The annual appropriation by the Town for each of the 25 Plan Years, beginning October 1, 1987 shall be the sum of the normal cost for the year and the annual payment that would be required, on a level basis, to amortize the unfunded accrued liability over 25 years from a October 1, 1987. The appropriation for each Plan Year thereafter shall be the normal cost for the year.
- (d) Any proposal that would change the benefits payable or Employee Contributions required under the Retirement System shall be accompanied by an estimate by the Actuary of the additional appropriations by the Town that will be required to finance the additional normal cost and to amortize, on a level basis, the additional accrued liability over 30 years from the effective date of change.

Section 2.03 Employer Pick-Up Contributions.

Effective July 1, 1998, pursuant to §414(h)(2) of the Internal Revenue Code, the Town shall pick-up and pay the contributions that otherwise would be payable by each Employee. The contributions so “picked-up” shall be treated as Employer contributions for purposes of determining the amounts of federal income taxes to withhold from each Participant’s Regular Compensation.

Employee Contributions picked-up by the Town shall be paid from the same source of funds used for the payment of salaries to Employees. A deduction shall be made from each Employee’s Regular Compensation equal to the amount of the Employee Contributions picked up by the Town, provided that such deduction shall not reduce the Employee’s Regular Compensation for purposes of computing benefits under this Plan.

Employee Contributions picked-up by the Town shall be credited to a separate account for each Employee, so that Employee Contributions made prior to July 1, 1998, may be distinguished from the Employee Contributions picked-up by the Town on and after July 1, 1998.

ARTICLE III – ELIGIBILITY

Section 3.01. Employees Who Were Eligible Employees on December 1, 1996.

An Employee who was an eligible Employee in the Retirement System on December 1, 1996, will remain an eligible Employee thereafter, subject to the provisions of this Retirement System.

Section 3.02. Employees Entering Service after December 1, 1996.

An Employee who enters the service of the Town on or after December 1, 1996, will become an eligible Employee if the following conditions are met:

- (a) **Employees Under Age 45.** An Employee who has not yet attained his 45th birthday must become covered under the Retirement System within three months after his employment commences as a condition of employment;
- (b) **Employees Who Have Attained 45th birthday.** An Employee who has attained his or her 45th birthday, shall not be required to become covered under the Retirement System as a condition of employment. If, however, such Employee does not apply within three months of entering the service of the Town, he must do so within two years of his employment date. To be credited with his service rendered prior to his application for admission, such Employee must contribute to the Plan all required Employee Contributions for such period, together with Interest thereon;
- (c) **Mandatory Nature of Employee Contributions.** All Employees must make their Employee Contributions while eligible to do so. No Credited Service will be granted during any period when the Employee does not make the necessary contributions to the Retirement System except to the extent otherwise required by applicable law.

Section 3.03. Employees Entering Service after January 1, 2006

An employee who enters the service of the Town after January 1, 2006 will become a member of the Defined Contribution plan and is not eligible to participate in this Defined Benefit Pension Plan

ARTICLE IV – AMOUNT OF PENSION

Section 4.01. Benefits and Their Payment.

Subject to the maximum and minimum limitations set forth herein, the Retirement Board shall pay each Employee who has retired according to the provisions of Article VI, a Pension for life in an amount determined from Part A or B, whichever applies.

Part A: Benefits at Normal Retirement shall equal 2.33% of the Employee's Final Average Salary multiplied by the number of years and full months of his Credited Service. One-twelfth (1/12) of this amount shall be paid monthly.

Part B: Benefits at Early Retirement shall equal 2.33% of the Employee's Final Average Salary multiplied by the number of years and full months of his Credited Service reduced by .4167 percent (5% per year) for each full month by which the date the Employee retires precedes his Normal Retirement Date. One-twelfth (1/12) of this amount shall be paid monthly.

Section 4.02. Adjustments to Pensions.

Effective for all employees who have retired prior to July 1, 2005, the Retirement Board shall cause a study to be made by the Plan's Actuary every three Plan Years on the then current status of Pensions being paid to all Retired Employees, and the effect of economic conditions on payments being made to such Retired Employees. Such study shall be submitted to the Mayor for submission to the Town Council; which shall have the right, in its sole discretion, to provide for an increase in the Pensions of Retired Employees-

Effective for Employees with Retirement Dates on or after July 1, 2005, a two percent (2%) cost of living adjustment per annum shall be applied to such Employee's retirement benefit effective on the January 1 that is five (5) full years after the retirement date.

Section 4.03. Minimum Monthly Pension.

The minimum monthly Pension for a Participant who retires on his Normal Retirement Date, in accordance with this Article IV, shall equal one hundred and twenty-five dollars (\$125) per month, provided the Employee has completed at least 20 years of Credited Service.

Section 4.04. Maximum Benefit.

- (a) Benefits with respect to a Participant may not exceed the limitations set forth in Article XII. This section does not constitute an election under IRC §415(b)(10)(C).
- (b) Notwithstanding the foregoing, the maximum yearly accrued Pension for an Employee who retires under this Retirement System shall not exceed 70% of such Employee's Final Average Salary.

Section 4.05. Deferred Vested Pension.

The amount of Pension to be provided for a terminated Employee who has met the vesting requirements of Section 8.01 shall be the amount of Pension accrued to the Employee's date of termination using Final Average Salary and Credited Service to such date. Such Pension shall be

based on the Retirement System provisions in effect at the time the Employee terminated employment with the Town.

Section 4.06 Minimum Distribution Requirements.

- (a) The payment of benefits to a Participant who is eligible for a Pension shall begin no later than the Required Beginning Date.
- (b) For purposes of this subsection, a Participant's Required Beginning Date shall be April 1 of the calendar year following the calendar year in which the Participant attains age 70½ or retires, whichever is later.
- (c) A Participant's entire interest in the Plan must be distributed over the life of the Participant or the lives of the Participant and a designated beneficiary, over a period not extending beyond the life expectancy of the participant or the life expectancy of the participant and designated beneficiary.
- (d) When a Participant dies after distribution of benefits has begun, the remaining portion of the Participant's interest shall be distributed at least as rapidly as under the method of distribution that was in effect prior to the Participant's death.
- (e) When a Participant dies before distribution of benefits has begun, the entire interest of the Participant shall be distributed within five years of the Participant's death. The five-year payment rule does not apply to any portion of the Participant's interest that is payable to a designated beneficiary over the life or life expectancy of the beneficiary and which begins within one year after the date of the Participant's death. The five-year payment rule does not apply to any portion of the Participant's interest that is payable to a surviving spouse over the life or life expectancy of the spouse which begins no later than the date the Participant would have reached age 70½.

ARTICLE V – DISABILITY PAYMENTS

Section 5.01. Permanently and Totally Disabled.

An Employee shall be deemed to be Permanently and Totally Disabled within the meaning of this Retirement System only if the Retirement Board, in its sole and absolute discretion shall determine on the basis of medical evidence that the Employee is Permanently and Totally Disabled.

Section 5.02. Medical Examination.

Employees applying for disability retirement shall be required to submit to examination, at the expense of the Retirement Board, by at least two (2) impartial physicians or psychiatrists selected by the Retirement Board, and such Employee may be required to submit to a re-examination no more than once every 12-month period.

Section 5.03. Service Connected Disability.

- (a) Any Employee covered under this Retirement System, who becomes Permanently and Totally Disabled during the course of performing essential duties pertaining to his employment, shall be eligible to receive a Service Connected Disability Pension. The amount of such Service Connected Disability Pension shall equal fifty percent (50%) of the disabled Employee's Final Average Salary or his annual rate of pay (whichever is greater) at the time of such disability, plus an additional 2.33% of such compensation for each year of Credited Service in excess of 25 years, subject to a maximum Pension of 70% of Final Average Salary. One-twelfth (1/12) of this amount shall be paid monthly.
- (b) In no event shall payments under this section, together with any regular benefits awarded under the Connecticut Workers' Compensation Act (excluding any special awards such as loss of limb, eye, etc. provided for in Section 31-308 and 31-308a of the Connecticut General Statutes) and any disability awards under Social Security, exceed one hundred percent (100%) of Final Average Salary or the annual rate of pay being paid to the disabled Employee at the time of disability.
- (c) No former Employee who is retired with a Service Connected Disability Pension Benefit shall be permitted to earn from any form of employment, including self-employment, a sum which when added to his Disability Pension, exceeds the current annual rate of pay for the position the former Employee had at the time of his disability retirement.

Section 5.04. Non-Service Connected Disability.

An actively employed Employee under this Retirement System who has at least 10 years of Credited Service and becomes Permanently and Totally Disabled shall be eligible to receive a Non-Service Connected Disability Pension. The amount of such Non-Service Connected Disability Pension shall equal 2.33% of the Employee's Final Average Salary multiplied by the number of years and full months of his Credited Service. One-twelfth (1/12) of this amount shall be paid monthly. Such Pension shall be subject to the maximum and minimum limitations stated in the Plan.

Section 5.05 Medical Evidence.

The Retirement Board may, from time to time, call for medical evidence that the Employee continues to be Permanently and Totally Disabled. In the event that the Retirement Board shall, upon competent medical evidence, conclude that the disability for which the Employee is receiving a Pension no longer exists, or if it is established that such Employee is engaged in any regular gainful employment or occupation, the Retirement Board shall thereupon order a discontinuance of the Pension payable to such former Employee.

Section 5.06. Cessation of Disability.

Such disability payments will end immediately before the earlier of the following dates:

- (a) the date the Employee ceases to be Permanently and Totally Disabled by death or recovery; or
- (b) the date he reaches his sixty-fifth (65th) birthday, at which time he will receive Pension payments in accordance with Section 4.01, Part A, in the same amount as his Disability Pension.

ARTICLE VI – RETIREMENT DATE

Section 6.01. Normal Retirement.

- (a) Employees in Town Employment Prior to March 1, 1983. For an Employee in Town employment prior to March 1, 1983, the Normal Retirement Date is the day of the month named by the Employee on which the Employee satisfies the following conditions:
 - (1) attainment of age 62; and
 - (2) completion of eight (8) years of Credited Service.
- (b) Employees Entering Town employment on or after March 1, 1983. For an Employee entering Town employment on or after March 1, 1983, the Normal Retirement Date is the day of the month named by the Employee on which the later of the following occurs:
 - (1) attainment of age 65 and completion of 10 years of Credited Service; or
 - (2) attainment of age 62 and completion of 25 years of Credited Service.
- (c) **Rule of 85.** Effective March 1, 1988, an Employee will be eligible to retire and receive a Normal Retirement Pension, provided such Employee's combined attained age in whole years and Credited Service in whole years equals 85, and further provided that such Employee was in active service on August 24, 1988, and thereafter.

Section 6.02. Deferred Retirement.

Employee contributions will be allowed until the Employee's actual retirement date. If an Employee works after his Normal Retirement Date, his Pension shall accrue to his actual retirement date, subject to the maximum yearly pension of 70% of his Final Average Salary.

Section 6.03. Early Retirement.

- (a) Employees in Town employment Prior to March 1, 1983. An Employee who is in Town employment prior to March 1, 1983 and who has attained the age of fifty-two (52) years shall be eligible for retirement if he has completed eight years of Credited Service at the time of retirement.
- (b) Employees Entering Town Employment on or after March 1, 1983. An Employee entering Town employment on or after March 1, 1983 who has attained the age of fifty-five (55) years shall be eligible for retirement if he has completed 10 years of Credited Service at the time of retirement.

Section 6.04. Timing of Pension Payments.

All Pension payments shall become due and payable on the last day of each calendar month, provided the initial Pension payment shall be computed as the pro rata of the amount of Pension corresponding to the fraction of the month elapsed since the effective date of retirement.

Section 6.05. Re-employment of Retired Employees.

If a Retired Employee is re-employed by the Town, his Pension shall cease with the last payment due prior to his re-employment. Pension payments shall again become payable following subsequent termination of employment.

ARTICLE VII – PENSION PAYMENT OPTION

Section 7.01. Normal Form of Payment.

A Retired Employee's Pension is normally payable in the form of a monthly benefit for such Employee's lifetime, commencing on his actual retirement date and ceasing with the last payment due immediately preceding the Retired Employee's death.

Section 7.02. Joint Pension Option.

- (a) In lieu of receiving a Pension in the form of a single life annuity as provided in Section 7.01, a Retired Employee may elect to receive his Pension as a 100% or 50% Joint Pension Option. Under such form, the Retired Employee shall receive a lifetime monthly Pension that is actuarially adjusted in accordance with the applicable factors determined from Table 1. Upon the Retired Employee's death, his Joint Pensioner, if living, shall be entitled to a lifetime monthly Pension equal to 100% or 50% (depending on the Option selected) of the Retired Employee's adjusted monthly Pension.
- (b) If the Joint Pensioner is more than 30 years younger than the Retired Employee, the benefit otherwise payable to the Joint Pensioner under this Option shall be limited so that the value of the Pension payable to the Retired Employee shall not be less than fifty percent (50%) of the value of the Retired Employee's total original Pension, calculated as of the Retired Employee's actual retirement date.
- (b) The monthly Pension payment to the Joint Pensioner shall commence on the last day of the month in which the Retired Employee dies, if the Joint Pensioner is then living, and shall cease with the last payment due for the month in which the Joint Pensioner's death occurs.
- (c) If the Joint Pensioner dies before the Employee's actual retirement date, the unreduced Pension in the form of a single life annuity automatically will become payable to the Retired Employee as if the Joint Pension Option had not been elected. If the Joint Pensioner predeceases the Retired Employee after retirement, the Pension payments shall cease upon the Retired Employee's death. No monthly Pension shall be payable to the Joint Pensioner if the Employee dies before his first Pension payment becomes due.

Section 7.03 Election of Joint Pension.

The Joint Pension Option may be elected by an Employee by written notice to the Retirement Board at least one (1) year before the Employee's actual retirement date, or at any time prior to his actual retirement date, if the Employee submits satisfactory evidence of his good health to the Retirement Board.

Section 7.04. Changing the Election.

In no event shall the consent of any person entitled to receive payments upon the death of the Employee be required for an Employee to revoke or change the Joint Pension Option. Anything in this Plan to the contrary notwithstanding, an Employee shall not have the right, prior to his retirement, to irrevocably elect to have all or part of his interest in this Plan, which would otherwise become available to him during his lifetime, paid only to his beneficiary after his death.

ARTICLE VIII – TERMINATION OF SERVICE

Section 8.01. Termination without Vested Rights.

An Employee who entered Town employment prior to March 1, 1983, who terminates employment before he has completed at least eight years of Credited Service with the Town shall lose his eligibility for Pension benefits, and he shall receive his Employee Contributions with Interest up to his date of termination of employment. An Employee entering the Town employment on or after March 1, 1983 who terminates employment before he has completed at least 10 years of Credited Service with the Town shall lose his eligibility for Pension benefits and he shall receive his Employee Contributions with Interest up to his date of termination as described above.

Section 8.02. Termination with Vested Rights.

An Employee who meets the eligibility requirements described in Section 8.01, and who does not elect to receive his Employee Contributions with Interest, may elect to receive a Pension on his Normal or Early Retirement Date equal to the applicable amount determined pursuant to Article IV. Terminated Vested Employees who die before or after retirement shall receive a Death Benefit as determined in Section 9.02, namely, the return of their Contributions with Interest up to their date of death or retirement; whichever is earlier, less any Pension payments received after retirement.

ARTICLE IX – DEATH BENEFITS

Section 9.01 Before Retirement.

Upon the death of an Employee before his Retirement Date, if such Employee does not have a spouse, the Employee's named beneficiary shall receive a Death Benefit equal to the Employee's Contributions with Interest. If there is no named beneficiary, such Death Benefit shall be paid to the estate of the deceased Employee.

The Spouse of an actively employed Employee under this Retirement System who dies shall be eligible to receive a Pre-Retirement Death Benefit. The amount of such Pre-Retirement Death Benefit shall equal 80% of the Employee's Normal Retirement Pension, determined as of his date of death, based upon Credited Service and Final Average Salary as of his date of death. One-twelfth (1/12) of this amount shall be paid monthly.

Section 9.02. After Retirement.

Upon the death of a retired Employee who did not elect to receive the optional form of Pension, as described in Article VII, his named beneficiary shall receive a Death Benefit equal to such deceased Employee's Contributions with Interest less any Pension benefits received by the Employee prior to his death. If there is no named beneficiary, any such Death Benefits shall be paid to the estate of the deceased Employee. If such Employee elected to receive the optional form of Pension, the provision of such option shall govern, and there shall be no Death Benefit upon the death of the last survivor.

Section 9.03. Beneficiaries.

- (a) An Employee may name a beneficiary to receive the Death Benefit due on or after his death by written request filed with the Town. With the consent of the Town, he may name two (2) or more co-beneficiaries or successor beneficiaries. If an Employee names two (2) or more persons as beneficiaries, such persons or their survivors shall be considered co-beneficiaries unless he provides otherwise.
- (b) An Employee may change any named beneficiary from time to time by written request filed with the Town. The consent of his beneficiary is not required to any naming or changing thereof. Such request is effective when the Employee signs the written request, whether or nor he is living at the time the request is received by the Town, but without prejudice for any payments made before receipt of the request.

ARTICLE X – AMENDMENT AND TERMINATION

Section 10.01. Amendment.

- (a) This Retirement Plan is established and maintained for the exclusive benefit of the Employees of the Town and their beneficiaries. Subject to this limitation, the Town reserves the power at any time or times to amend provision of this Retirement Plan if, with respect to payments resulting from Pensions provided before the effective date of the amendment, the amendment does not reduce the amount of any payment or the term of monthly payments, or delay the due date of any payment.
- (b) Any provision of this Retirement Plan may be amended in any respect, without regard to the above limitation, if the amendment is required for qualification or continued qualification of the Retirement Plan under income tax law, or is necessary for this Retirement Plan to meet the requirements of any other applicable law.
- (c) Neither the consent of the Employee nor that of any other payee is required for any amendment to the Retirement Plan made as provided above.

Section 10.02. Termination.

If this Retirement Plan is terminated, the accrued benefit of each Employee in the Retirement Plan shall immediately become 100% vested and nonforfeitable, to the extent that such benefit is funded, in accordance with the requirements imposed by the Internal Revenue Code. In the event of a partial termination, the requirements of this provision shall be applied to the terminated portion of the Plan.

Section 10.03. Distributions Upon Plan Termination.

Upon termination of the Retirement Plan by the Employer, the Retirement Board shall distribute to each Employee (or other person entitled to distribution) the value of the Employee's accrued benefits in accordance with the terms of this Retirement Plan and with applicable law.

ARTICLE XI – ADMINISTRATION OF PLAN

Section 11.01. Annual Report.

The Retirement Board shall, on or before March 31st of each year, file with the Town Council an annual report showing the financial condition of the Retirement system as of the end of the last completed fiscal year, including an actuarial valuation of assets and liabilities, and setting forth such other facts, recommendations and data as may be of value to the Retirement System of the Town of East Hartford.

Section 11.02. Interpretation of Misunderstanding or Ambiguity.

If any misunderstanding or ambiguity arises concerning the meaning of any of the provisions of the Retirement System, the Retirement Board shall have sole right to construe such provisions, and the Retirement Board's decision shall be final. The Retirement Board may establish such rules and regulations supplementing the Retirement System as it considers desirable.

Section 11.03. Finding of Facts.

The Retirement Board's findings of facts on matters relating to an Employee's employment record are binding for purposes of the Retirement System. Participation in the System shall confer no right upon any Employee to continued Town employment.

Section 11.04. Furnishing Information and Proof.

All persons shall promptly furnish information and proof to the Retirement Board as to any all facts which the Retirement Board reasonably may require concerning any person affected by the terms of the Retirement System (including date of birth and satisfactory proof, by personal endorsement on the pension checks or otherwise, of the survival of any payee to the due date of any pension payment).

Section 11.05. Information Required from Terminated Vested Employees.

An Employee who has terminated service with the Town, and who has met the vesting requirements of Article VIII, shall inform the Retirement Board of any change of address. Such Employees must inform the Retirement Board of his or her desire to retire and must make an appropriate application. All notices to any person from the Retirement Board shall be sent to the last address of such person that the Retirement Board has on record, and the Retirement Board has no further obligation to such person in the event of any such communication, sent by registered or certified mail, is not received by such person.

Section 11.06. False Statement.

If any fact relating to an Employee or any other payee has been misstated, the correct fact may be used to determine the amount of Pension payable to him or her. If overpayments or underpayments have been made due to an incorrect statement, the amount of any future payments may be appropriately adjusted.

Section 11.07 Return of Town Contributions Under Special Circumstances

Any Town contributions made under mistake of fact or law may be returned to the Town within one year following the date the Town became aware of such mistake.

ARTICLE XII—MAXIMUM BENEFIT LIMITATION

Section 12.01. In General.

This Retirement Plan shall follow the requirements of IRC §415 as applicable to government plans within the meaning of IRC §414(d).

Section 12.02. Annual Benefit.

The Annual Benefit of a Participant hereunder (adjusted to an Actuarially Equivalent straight life annuity as defined in Section 12.05(d) shall not at any time within the Limitation Year exceed the lesser of—

- (a) \$90,000, as that amount shall be adjusted from time to time, or
 - (b) 100 percent of the Participant's average Compensation for his high 3 years
- Effective July 1, 1995, subsection (b) shall not apply.

Section 12.03. Adjustment for Less than 10 Years of Participation.

- (a) In the case of a Participant who has less than 10 years of participation in this Plan, the \$90,000 limitation set forth in Section 12.02 shall be multiplied by a fraction, the numerator of which is years of participation in this Plan and the denominator of which is 10. This shall also apply to the Compensation limitation in Section 12.02 except that the numerator shall be years of service with the Town rather than years of participation in this Plan.
- (b) The limitations of section 12.03(a), above, however, do not apply if the Pension amounts do not exceed \$10,000 for the current or prior Plan Year and the Participant has not been covered at any time by a defined contribution plan to which the Town contributed on his or her behalf.

Section 12.04. Maximum Benefit Limitation Definitions.

For purposes of this Article XII, the following definitions shall apply:

- (a) "Pension" shall mean an annual benefit payable at Normal Retirement Age as a straight life annuity with no ancillary benefits or an annuity payable in a joint and survivor payment form where the Participant's spouse is the Joint Pensioner. A benefit payable in any other form shall be converted to the actuarial equivalent of a straight life annuity, for purposes of applying these limits, based on a five percent (5%) interest assumption. Other required adjustments are provided for below.
- (b) "Compensation" shall mean all earnings reported on W-2 forms completed by the Town in respect to the Plan Year specified. Notwithstanding the foregoing, for Plan Years beginning after December 31, 1997, an Employee's Compensation shall include any elective deferral (as defined under Code §402(g)(3)), and any amount which is contributed or deferred by the Employer at the election of the Employee and which, by reason of Code §§125 or 457, is not includable in the gross income of the Employee.
- (c) "Annual Benefit" shall mean the benefit to which the Participant would be entitled to at his or her Normal Retirement Date assuming he or she continues employment until such

date and that all other relevant facts used to determine benefits under the Plan remain constant as of the current Limitation Year for all future Limitation Years.

- (d) The term “Limitation Year” shall mean a Plan Year.
- (e) The term “Qualified Participant” shall mean that term as defined in Section 12.05, below.

Section 12.05 Adjustment for Early or Late Commencement of Benefits.

- (a) **In General.** If the annual pension benefit of a Participant begins before age 62, as described in IRC §415(b)(8) the \$90,000 limitation set forth in Section 12.02, above shall be reduced so that it is equivalent to such a benefit beginning at age 62. The reduction of this paragraph shall not reduce the limitation of Section 12.05(a), below—
 - (1) \$75,000 if the benefit begins at or after age 55, or
 - (2) if the benefit begins before age 55, the equivalent of the \$75,000 limitation for age 55.
- (b) **Benefits Beginning after Age 55.** If the annual pension benefit of a Participant begins after age 65, the \$90,000 limitation set forth in 12.02 above shall be increased so that it is equivalent to such a benefit beginning at age 65.
- (c) **Actuarial Equivalence.** Actuarial Equivalence under this Section 12.05 shall be determined using a five percent (5%) interest assumption, and the term “\$90,000” shall include any higher amounts prescribed pursuant to the Internal Revenue Code for purposes of these limitations.
- (d) In the case of disability or survivor benefits provided under the Plan, the limitations of Section 12.03(a) and 12.05(a) shall not apply to:
 - (1) income received from the Plan as a pension, annuity, or similar Pension as the result of the recipient becoming disabled by reason of personal injuries or sickness, or
 - (2) amounts received from a governmental plan by the beneficiaries, survivors or the estate of an Employee as the result of the death of the Employee.

Section 12.06 Combined Plan Limits.

- (a) If a Participant also participates in another defined benefit plan of the Town obligated to contribute under this Plan, and such Plan is a qualified plan under IRC §401(a), such plan shall be combined with this Plan in accordance with Treas. Reg. §1.415-8(e) for purposes of determining compliance with the limitations of IRC §415(b).
- (b) If a Participant also participates in a defined contribution plan of the Town obligated to contribute under this Plan, and such Plan is a qualified plan under IRC §401(a), such plan will be combined with this Plan in accordance with Treas. Reg. §1.415-8(e) for purposes of determining compliance with the limitations under IRC §415(e).
- (c) Effective July 1, 2000, Section 12.06(b) shall no longer apply.

Section 12.07 Protection of Prior Benefits.

For any year before 1986, the limitations prescribed by IRC §415 as in effect before enactment of the Tax Reform Act of 1986 and all subsequent legislation shall apply, and no Pension earned under this Retirement Plan prior to 1986 shall be reduced on account of the provisions of Sections 12.03 through 12.08 if it would have satisfied those limitations under that prior law.

Section 12.08 Application of Maximum Limitations.

- (a) The benefit paid under this Retirement Plan shall not exceed the limitations set forth in Section 12.02.
- (b) If a Participant on his or her annuity starting date is not eligible for full monthly benefits under this Retirement Plan because of the operation of Section 12.02, the monthly benefit thereafter shall be recalculated annually until the Participant is receiving a full monthly benefit under the Retirement Plan's terms without the operation of this Section 12.08. Each such recalculation shall be based on this Section 12.08 with any applicable adjustment to reflect cost of living increases as permitted by the Treasury Regulations.

ARTICLE XIII – GENERAL PROVISIONS

Section 13.01. Exclusive Benefit.

This Retirement System is established and maintained for the exclusive benefit of the Employees of the Town and their beneficiaries and is administered for the exclusive purpose of providing retirement and retirement-type benefits for such individuals. Except as otherwise specifically provided herein, no portion of the assets of this Plan may be used for any purpose other than the payment of benefits hereunder and the defraying of reasonable administrative costs. At no point may the Town obtain a reversion of all or any part of the assets of this Plan unless this Plan has been properly terminated under the Internal Revenue Code and all liabilities to Participants and their beneficiaries have been satisfied.

Section 13.02. Gender and Number.

Whenever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender, unless the context clearly indicates otherwise, and whenever used herein, a pronoun in the singular form shall be considered as being in the plural form, unless the context clearly indicates otherwise.

Section 13.03. Forfeitures.

No forfeitures shall be applied to increase the benefits any Employee would otherwise receive under this Plan.

Section 13.04. Applications for Pensions.

An application for a Pension must be made in writing on a form and in the manner prescribed by the Retirement Board and shall be filed with the Retirement Board at least two (2) weeks_in advance of the final month for which benefits are payable.

Section 13.05. Payment of Actuarial Equivalent Amount.

A single sum payment in an actuarial equivalent amount may be made in lieu of monthly payments if the amount of each monthly Pension payment would be less than twenty dollars (\$20).

Section 13.06. Non-Assignment.

No payee may sell, assign, discount, or pledge as collateral for a loan or as a security for the performance of an obligation, or for any other purpose, any payment due to him. If the payee for any payment is a minor or incompetent person, payment may be made to the person, or persons caring for or supporting such payee, in full discharge of all obligations, as determined by the Retirement Board.

The preceding paragraph shall not apply to the creation, assignment or recognition of a right to any benefit payable with respect to a Participant pursuant to a domestic relations order that is approved by the Retirement Board in accordance with the provisions of the Plan and the policies and procedures of the Retirement Board.

Section 13.07. Proof of Living Payee.

There shall be no obligations to make any payment hereunder unless the payer has received proof that the payee was living on the due date of the payments. If such proof is not received within seven (7) years after the date of the payment, and if no proof of the death of the payee is received during each seven (7) year period, the obligations of the payer as to the payment and as to the Pension payments, if any, from which the payments results will be the same as if the payee had died immediately before the due date of the payment.

Section 13.08. Limit on Reduction of Accrued Benefit by Plan Amendment.

In no event will any Employee receive at retirement anything less than what he would have received under the provisions of this Plan as constituted prior to July 1, 2005, as a result of this Plan Amendment.

Section 13.09. Education Workshop

The Town of East Hartford shall hold an annual education retirement workshop for employees.

ARTICLE XIV ROLLOVER PROVISIONS

Section 14.1 Direct Rollovers

This section applies to distributions made on or after July 1, 1993. Notwithstanding any provisions of the Plan to the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may elect, at the time and in the manner prescribed by the Retirement Board in accordance with applicable regulations, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.

- (a) A Distributee who is entitled to elect a Direct Rollover with respect to all or any portion of a distribution, but who does not make any election shall be deemed to have rejected the Direct Rollover option.
- (b) A Distributee who elects a Direct Rollover with respect to any Eligible Rollover Distribution that is one in a series of installment payments made at least annually over a period of less than 10 years shall be deemed to have made the same election with respect to all subsequent Eligible Rollover Distributions in the series unless and until the Distributee changes the election. A change of election shall be accomplished by notifying the Retirement Board of the change in the form and manner prescribed by the Retirement Board.
- (c) Within a reasonable period of time before an Eligible Rollover Distribution is to be made, the Retirement Board shall provide to the Distributee an explanation of the right to elect a Direct Rollover and the federal tax withholding consequences of failing to elect a Direct Rollover. A Distributee who elects a Direct Rollover must provide all information that the Retirement Board may require to complete the Direct Rollover.
- (d) For the purposes of this Section, the following definitions shall apply:
 - (1) An "Eligible Rollover Distribution" is any distribution of all or any portion of the balance of 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 (at least annually) made for the life (of the life expectancy) of the Distributee or the joint lives (of joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specific period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
 - (2) A distribution of less than \$200 that would otherwise be an Eligible Rollover Distribution within the meaning of paragraph (d-1) shall not be an Eligible Rollover Distribution if it is reasonable to expect that all such distributions to the Distributee from the Plan during the same calendar year will total less than \$200.
 - (3) 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 or a qualified trust described in Section 401(a) of the Code, that accepts the Distributee's Eligible Rollover Distribution. However, in the case

of an Eligible Rollover Distribution to the surviving spouse, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity.

- (4) “Distributee” includes a Town or former Employee. In addition, the Employee’s or former Employee’s surviving spouse and the Employee’s or former Employee’s spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are Distributees with regard to the interest of the spouse or former spouse.
- (5) A “Direct Rollover” is a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.

Section 14.2 Rollovers to the Plan

In no event shall the Plan accept Eligible Rollovers from any source unless a reemployed Employee is making a repayment of his Employee Contributions.

TABLE 1 - JOINT PENSION OPTION FACTORS

To be Multiplied by Benefit Payable under Normal Form

50% Joint and Survivor

Reduction Factors: 90.0% plus 0.4% of each year that beneficiary's age is greater than employee's age or minus 0.4 % of each year that beneficiary's age is less than the employee's age with a maximum factor of 99%.

Example: If the Employee is age 65 and spouse is age 62; Factor = 88.8%

100% Joint and Survivor

Reduction Factors: 81.0% plus 0.6% for each year that beneficiary's age is greater than employee's age or minus 0.6% of each year that beneficiary's age is less than the employee's age with a maximum factor of 99%.

Example: If Employee is age 62 and spouse is age 65; Factor = 82.8%

