



MEMO

TOWN OF EAST WINDSOR

Date: January 14, 2011

To: Town Clerk Joanne Slater
Senior Staff

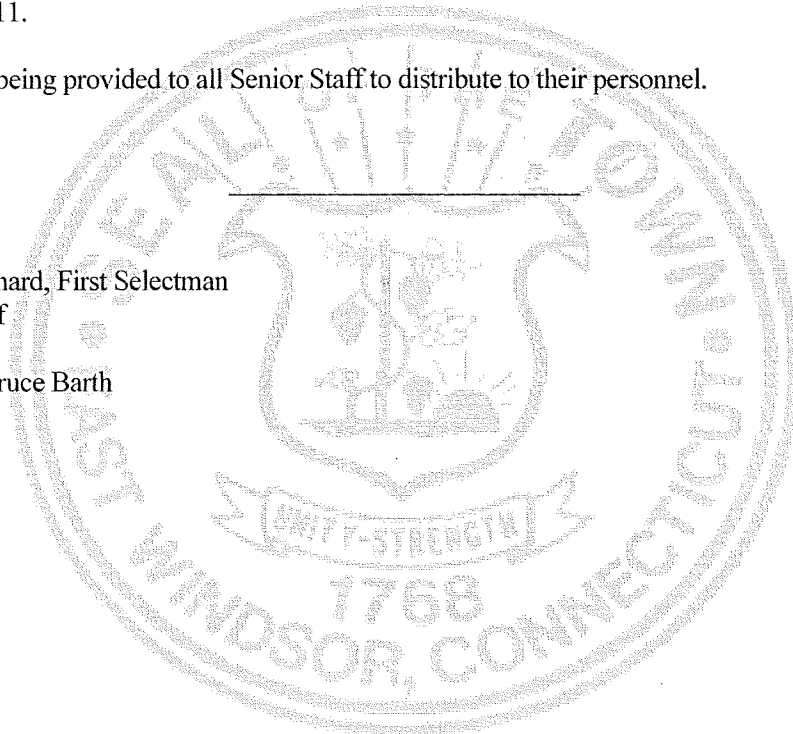
From: Catherine Cabral, Treasurer *CC*

Re: Town of East Windsor Pension Plan-As Amended and Restated Effective January 1, 2009
(Except as Otherwise Provided Therein)

Joanne - Attached please find the fully executed original Town of East Windsor Pension Plan-As Amended and Restated Effective January 1, 2009 (Except as Otherwise Provided Therein) signed January 14, 2011.

A copy is also being provided to all Senior Staff to distribute to their personnel.

c: Denise Menard, First Selectman
Senior Staff
Milliman
Attorney Bruce Barth



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THE TOWN OF EAST WINDSOR
PENSION PLAN

As Amended and Restated Effective January 1, 2009
(Except as Otherwise Provided Herein)

TOWN OF EAST WINDSOR
PENSION PLAN
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PREAMBLE

Effective July 1, 1970, the Town of East Windsor (“Town”), a Connecticut municipality, adopted The Town of East Windsor Pension Plan (the “Plan”). The Plan was most recently composed of at least six different plan documents. The Plan is intended to be a governmental plan, as defined in Code Section 414(d), and is intended to qualify as a defined benefit plan under Code Section 401(a). The Plan is maintained for the exclusive benefit of eligible Members and their beneficiaries.

The Plan has been amended from time to time, and is hereby further amended and restated effective January 1, 2009. As part of that amendment and restatement the Town desires to consolidate the Plan into one document as set forth herein. However, the rights and benefits of any Participant terminating employment on or prior to December 31, 2008 shall be determined under the version of the Plan in effect on such Participant’s date of termination and shall not be affected by any provision of this amendment and restatement, except as otherwise specifically provided in this Plan.

**ARTICLE I
DEFINITIONS**

1.1 “Accrued Benefit” means as of any date, the portion of a Participant’s normal retirement benefit accrued as of that date determined under Article IV using a Participant’s Benefit Service and Average Annual Earnings as of such date.

1.2 “Active Participant” means a Participant who is accruing Benefit Service under the Plan.

1.3 “Actuarial Equivalent” means a benefit of equivalent current value to the benefit which would otherwise have been provided to the Participant in the normal form of benefit, determined on the following assumptions:

Generally

Interest: 7%

Mortality: The 1984 Unisex Pension Mortality Table (-2, -5)

For Lump Sums

Interest: The applicable interest rate as set forth under Section 417(e)(3) of the Code as of the December 1 preceding the Plan Year.

Mortality: The applicable mortality table as set forth under Section 417(e)(3) of the Code as of the December 1 preceding the Plan Year.

1.4 “Actuary” means either (i) a qualified actuary who is a member of the Society of Actuaries, (ii) an enrolled actuary, or (iii) a firm employing actuaries, at least one of whom is either a member of the Society of Actuaries or an enrolled actuary.

1.5 “Adjustment Factor” means the factor used to adjust a Participant’s benefit as set forth in Table A appended to the Plan.

1.6 “After-tax Contributions” as of any date means the total of an Employee’s after-tax contributions plus interest made to the Plan prior to April 1, 2003, if any, plus an Employee’s Make-up Contributions for prior service, if any, plus interest on such Make-up Contributions. Interest shall be credited annually to the date of determination at one hundred and twenty percent (120%) of the federal mid-term rate as in effect under Code Section 1274 for the first month of the Plan Year. Interest shall be compounded annually and shall be credited from the first day of the Plan Year following the date each contribution was due to the first day of the calendar month which is coincident with or next preceding the date as of which a determination is made, but not later than the earlier of a Participant’s Annuity Starting Date or the date of the Participant’s death.

1.7 “After-tax Derived Benefit” means the Accrued Benefit derived from the Participant’s After-tax Contributions expressed as an annual benefit commencing at Normal Retirement Date, using the applicable interest rate under Code Section 417(e)(3). For purposes of this Section 1.7, the total After-tax Contributions used to determine the After-tax Derived Benefit shall be calculated as “accumulated contributions” pursuant to Code Section 411(c)(2).

1.8 “Annuity Starting Date” means the first day of the first period for which an amount is paid as an annuity, or, in the case of a single sum payment, the first day on which all

events have occurred which entitle the Participant, or the Participant's Beneficiary, if applicable, to such benefit.

If a Participant whose Annuity Starting Date has occurred is reemployed by the Town resulting in a suspension of benefits in accordance with the provisions of Section 5.13, for purposes of determining the form of payment of such Participant's benefit upon his or her subsequent retirement, such prior Annuity Starting Date shall apply to benefits accrued both before and after the Participant's reemployment.

1.9 "Authorized Leave of Absence" shall mean any absence authorized by the Employer under the Employer's standard personnel practices, provided that all persons under similar circumstances must be treated alike in the granting of such Authorized Leaves of Absence and provided further that the Employee returns within the period of authorized absence. An absence due to service in the armed forces of the United States shall be considered an Authorized Leave of Absence to the extent required under Section 414(u) of the Code.

1.10 "Average Annual Earnings" means a Participant's average annual Earnings as set forth in the applicable Appendix appended to the Plan.

1.11 "Beneficiary" means the individual or individuals and/or trusts designated by the Participant to receive benefits from the Plan upon the death of the Participant.

1.12 "Benefit Service" means, subject to any limitations set forth in the Plan herein, a calendar year in which the Participant is credited with at least one thousand (1,000) Hours of Service.

1.13 "Code" means the Internal Revenue Code of 1986, as such has been and as such may be amended from time to time, and any regulations promulgated thereunder and interpretations thereof as such may affect this Plan.

1.14 “Early Retirement Date” means the first day of the month coinciding with or next following the date on which the Participant retires as an Employee of the Town and (A)(i) has completed ten (10) Years of Service and has attained age fifty-five (55), or, (ii) if the Participant is employed by the Town Police Department, has completed ten (10) Years of Service and has attained age fifty (50), or (B) such later date on which the Participant retires as an Employee, prior to the Participant’s Normal Retirement Date.

1.15 “Earnings” means the wages as defined in Code Section 3401(a) paid to a Participant during a Plan Year, excluding bonuses, overtime pay, commissions and any other extra pay. Notwithstanding any other provision of the Plan to the contrary, in no event shall a Participant’s Earnings taken into account for purposes of the Plan exceed \$245,000, (for 2009), increased as permitted under Section 401(a)(17) of the Code to reflect cost-of-living adjustments.

1.16 “Effective Date” means July 4, 1970, except that the provisions of this amended and restated Plan shall be effective January 1, 2009, except as otherwise provided herein.

1.17 “Eligible Employee” means an Employee, excluding: (i) an individual employed by the Town as a certified teacher; (ii) the individual employed by the Town as superintendent of schools; (iii) employees of the Town’s Board of Education who are not represented by a collective bargaining unit; (iv) employees covered by the collective bargaining agreement between the Town and the Police Department union who were hired on or after July 1, 2007; (v) employees covered by the collective bargaining agreement between the Town and the Public Works Union, Local 1303-166 of Council 4, AFSCME, AFL-CIO, who were hired on or after July 1, 2007; and (vi) temporary or seasonal employees of the Town who are not represented by a collective bargaining unit. An Employee who is accruing pension benefits under another

defined benefit or defined contribution plan maintained by the Town shall not be considered an Eligible Employee.

1.18 “Employee” means an employee of the Town.

1.19 “Entry Date” means the date on which the Eligible Employee becomes an active Participant as set forth in the applicable Appendix.

1.20 “Hour of Service.”

(a) Each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Town during the applicable computation period, which hours shall be credited to the Employee for the computation period or periods in which the duties were performed. Hours paid for at a premium rate shall be treated as straight-time hours for purposes of determining Hours of Service.

(b) Each hour, but not in excess of five hundred and one (501) hours in one continuous period, for which an Employee is directly or indirectly paid, or entitled to payment, by the Town on account of a period of time during which no duties are performed by the Employee (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence, which hours shall be credited to the computation period or periods in which the period during which no duties are performed occurs.

(c) Each hour for which back pay, irrespective of mitigation of damages, is either awarded or agreed to be paid to an Employee by the Town, which hours shall be credited to the Employee for the computation period to which the award or agreement pertains, rather than the computation period in which the payment is made.

(d) Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credits with respect to qualified military service shall be provided in accordance with Section 414(u) of the Code.

1.21 "Make-up Contributions" means the After-tax Contributions that are required to be made-up for prior service for any Participant who is a member of one of the collective bargaining units specified in this Section and who did not commence making After-tax Contributions or Picked-up Contributions on his or her first day of employment due to prior provisions in the Plan. Such Participant shall be required to make Make-up Contributions by contributing on a retroactive basis the amount he or she would have contributed to the Plan had contributions been required for any such period or periods from his or her first day of employment. Make-up Contributions shall be made in a lump-sum payment, otherwise they shall be made on an installment basis in a manner determined by the Town, and shall not be Picked-up by the Town pursuant to Code Section 414(h)(2). The Participants represented by the following collective bargaining units shall be required to make Make-up Contributions:

(i) Participants who are represented by the collective bargaining unit for the Town Police Department;

(ii) Participants who are represented by the Public Works Union, Local 1303-166 of Council 4, AFSCME, AFL-CIO; and

(iii) Participants who are represented by the Clerical Union, Local 1303-192 of Council 4, AFSCME, AFL-CIO.

1.21 "Normal Retirement Date" means the January 1 closest to the date on which the Participant attains the Normal Retirement Date set forth in the applicable Appendix.

1.22 “Participant” means any Employee who has become covered under the Plan pursuant to Article II.

1.23 “Participant Contributions” means the sum of a Participant’s After-tax Contributions and Picked-up Contributions.

1.24 “Participant Derived Benefit” means the amount of the retirement benefit derived from the Participant’s Participant Contributions (projected to the Participant’s Normal Retirement Date if the Participant has not yet reached his or her Normal Retirement Date) expressed as an annual benefit in the form of a single life annuity commencing at the Participant’s Normal Retirement Date, using the applicable interest rate under Code Section 417(e)(3).

1.25 “Picked-up Contributions” means the contributions made on behalf of the Participant that are Picked-up by the Town pursuant to Code Section 414(h)(2) in accordance with Section 3.2 plus interest. Interest on a Participant’s Picked-up Contributions shall be compounded annually and shall be credited from the first day of the Plan Year following the date each contribution was due to the first day of the calendar month which is coincident with, or otherwise next preceding, the date as of which a determination is made, but not later than the earlier of a Participant’s Annuity Starting Date or the date of the Participant’s death. The interest rate shall be one hundred and twenty percent (120%) of the federal mid-term rate as in effect under Code Section 1274 for the first month of the Plan Year.

1.26 “Plan” means The Town of East Windsor Pension Plan.

1.27 “Plan Year” means the twelve (12) month period beginning each January 1 and ending each December 31.

1.28 “Required Beginning Date” means the first day of April of the calendar year following the calendar year in which: (i) the Participant attains age 70½, or (ii) if later, the year the Participant terminates employment with the Town.

1.29 “Retirement Board” means the Retirement Board described in Section 9.5.

1.30 “Spouse” means the legal spouse of the Participant, as set forth under the laws of the State of Connecticut.

1.31 “Totally and Permanently Disabled” shall refer to a Participant who has been found, on the basis of medical evidence satisfactory to the Retirement Board, to suffer from any physical or medical condition that: (i) has continued for a period of at least twelve (12) months; (ii) is expected to be permanent; and (iii) which prevents the Participant from performing the usual duties of his or her employment as determined by the Retirement Board.

1.32 “Town” means the Town of East Windsor, Connecticut.

1.33 “Town Derived Benefit” means the Participant’s Accrued Benefit attributable to Town contributions, determined by taking the excess of the Participant’s Accrued Benefit over the Participant’s After-tax Derived Benefit.

1.34 “Trust” means the trust created by the Town and the Trustee by a trust agreement to hold and invest the assets contributed under the terms of this Plan.

1.35 “Trust Agreement” means the trust agreement entered into between the Town and Trustee to hold and invest the assets contributed under the terms of this Plan and the Trust.

1.36 “Trustee” means such individual or corporate fiduciary or fiduciaries as may be duly appointed by the Retirement Board to hold the assets of the Plan pursuant to the terms of this Plan and the Trust.

1.37 "Year of Service" means a calendar year or, as otherwise specified in the Appendices, other period, in which an Employee is credited with at least one thousand (1,000) Hours of Service.

ARTICLE II PARTICIPATION

2.1 Eligibility.

Each Eligible Employee who is a Participant in the Plan on January 1, 2009 shall continue to be a Participant in the Plan. Each other Employee shall become an active Participant on his or her Entry Date as set forth in the applicable Appendix.

2.2 Mandatory Participation.

Each Eligible Employee who has met the Plan's eligibility requirements as set forth in Section 2.1 shall be required to participate in the Plan as a condition of employment upon his or her Entry Date.

2.3 Participation Upon Reemployment.

If a former Active Participant is reemployed as an Eligible Employee, he or she shall again become an Active Participant as of his or her reemployment date, except any Employee covered by a collective bargaining agreement between (i) the Town and the collective bargaining unit for the Town Police Department or (ii) the Town and the Public Works Union, Local 1303-166 of Council 4, AFSCME, AFL-CIO, who is re-hired on or after July 1, 2007, shall be ineligible to again become an Active Participant as of his or her reemployment date.

2.4 Termination of Participation.

An individual shall be a Participant in the Plan as long as he or she retains an Accrued Benefit under the Plan.

ARTICLE III CONTRIBUTIONS

3.1 Town Contributions.

The Town will make contributions to the Plan from time to time in the amount necessary to provide the benefits set forth in the Plan and to pay the costs of administering the Plan. The amount of the Town's contribution shall be determined at the discretion of the Town based on the recommendations of the Plan's Actuary.

3.2 Participant Contributions.

Each Active Participant shall be required to make a Picked-up Contribution to the Plan each pay period. The Town shall make this Picked-up Contribution to the Plan on such Participant's behalf. The amount of such Picked-up Contribution shall be equal to the percentage of the Participant's Earnings for the Plan Year specified in the applicable Appendix.

**ARTICLE IV
RETIREMENT BENEFITS**

4.1 Normal Retirement Benefit.

Each Participant shall be entitled to receive, commencing on his or her Normal Retirement Date, an annual retirement benefit calculated using the formula as set forth in the applicable Appendix. Such benefit shall be payable following the later of (i) the first day of the month coinciding with or next following the Participant's Normal Retirement Date, or (ii) the first day of the month in which the Participant applies for the benefit to commence, but not later than the date specified in Section 5.10.

4.2 Early Retirement Benefit.

Each Participant who has reached his or her Early Retirement Date may elect to receive a reduced annual retirement benefit commencing on the first day of the month next following his or her actual retirement date prior to his or her Normal Retirement Date, provided that such Participant is not eligible for, or does not elect to receive, a Disability Retirement Benefit as described in Section 4.3. Such retirement benefit shall be the Actuarial Equivalent of the Participant's Normal Retirement Benefit, calculated as described in Section 4.1 and the applicable Appendix, using the Participant's years of Benefit Service completed prior to the Participant's actual retirement date. Payment of such Early Retirement Benefit shall commence on the later of the first day of the month coinciding with or next following the Participant's actual retirement date or the date on which the Participant applies for early retirement in writing, but shall in no event commence later than the Participant's Normal Retirement Date.

4.3 Disability Retirement Benefit.

A Participant who retires from employment with the Town prior to his or her Normal Retirement Date due to Total and Permanent Disability is eligible to receive a Disability Retirement Benefit, provided that the Participant is not eligible for, or does not elect to receive, an Early Retirement Benefit as described in Section 4.2.

(a) A Participant eligible for a benefit under this Section 4.3 shall be entitled to receive a Disability Retirement Benefit commencing on the later of:

(i) the first day of the month next following the month in which his or her retirement occurs; or

(ii) the first day of the month in which he or she makes a written application for a Disability Retirement Benefit, but no later than his or her Normal Retirement Date.

(b) The amount of such Disability Retirement Benefit for all Participants, other than a Participant who is a member of the Town's Police Department who suffers a Total and Permanent Disability as a result of an injury sustained in the Participant's performance of duties as a member of the Town's Police Department, shall be equal to the Participant's Normal Retirement Benefit as calculated in Section 4.1, using the Participant's Benefit Service completed prior to the Participant's disability retirement date, multiplied by the applicable Early Retirement Adjustment Factor set forth in Table A.

(c) A Participant who is a member of the Town's Police Department who suffers a Total and Permanent Disability as a result of an injury sustained in the Participant's performance of duties as a member of the Town's Police Department shall

receive disability benefits under the terms of this Section 4.3, except that the amount of such Participant's benefit shall be equal to (i) less (ii), where (i) and (ii) are:

- (i) fifty percent (50%) of the Participant's Average Annual Earnings.
- (ii) The sum of:
 - (A) any periodic cash payments provided on account of the Participant's disability such as:
 - (1) under any group insurance coverage or similar arrangement coverage for individuals in a group paid for by the Employer;
 - (2) by one-half of the federal Social Security Act, excluding benefits payable to the Participant's dependents on account of the Participant's disability;
 - (3) by any state or federal government disability or retirement plan;
 - (4) under or on account of any worker's compensation or similar law, which become payable on or after the commencement of the disability for which monthly income is payable.
 - (B) Any Social Security benefits provided under the Social Security Act (individuals who are covered by Social Security will be considered to be receiving periodic Social Security payments unless the Participant submits proof that payments have been applied for but are not yet payable).

(d) In any case where the Town deems it necessary or advisable, the Town may require a Participant applying for a Disability Retirement Benefit to submit to such medical examinations and reexaminations as may be reasonable and necessary to establish the Participant's eligibility (or continued eligibility) to receive a Disability Retirement Benefit.

(e) The duration of benefits payable under this Section 4.3 to a Participant is as follows:

- (i) For a Participant who is not a member of the Town's Police Department at the time he or she becomes Totally and Permanently Disabled, Disability Retirement Benefits shall be payable for the remainder of the Participant's life, in accordance with the payment requirements of the form of benefit the Participant selects under Article V.
- (ii) For a Participant who is a member of the Town's Police Department at the time he or she becomes Totally and Permanently Disabled, Disability Retirement Benefits shall not extend beyond the Participant's Normal Retirement Date. Upon the Participant's attainment of Normal Retirement Date, Disability Retirement Benefits will immediately cease and normal retirement payments will begin; provided, however, that the form of normal retirement benefits shall be the same as the form of Disability Retirement Benefits. The amount of such a Participant's normal retirement payments received will be determined on his or her Normal Retirement Date and shall be calculated including his or her period of disability as years of Benefit Service. For purposes of calculating the Participant's

Normal Retirement Benefit, the Participant's Average Annual Earnings shall be determined as if the Participant's Earnings during his or her period of disability were equal to the Participant's Earnings on the day before the Participant became Totally and Permanently Disabled.

**ARTICLE V
DISTRIBUTION OF BENEFITS**

5.1 Normal Form of Benefit.

(a) A Participant who is eligible to receive a retirement benefit from the Plan shall receive payment of such benefit in one of the following normal forms of payment:

(i) Unmarried Participants: A Participant who is not married on his or her Annuity Starting Date shall receive such benefit in the form of a Ten-Year Certain and Life Annuity. Such Participant shall receive a monthly retirement benefit payable for his or her lifetime. If the Participant's death occurs after one hundred and twenty (120) monthly benefit payments have been made to the Participant, payments will cease with the payment made for the month in which the Participant's death occurs. If the Participant's death occurs prior to one hundred and twenty (120) payments being made to the Participant, the Participant's Beneficiary shall receive a monthly benefit payment each month after the Participant's death until a total of one hundred and twenty (120) payments have been made. The amount of each monthly payment made to the Beneficiary after the Participant's death shall be equal to the amount of the monthly payment made to the Participant during his or her life.

If the Participant's Beneficiary dies after becoming eligible to receive a benefit hereunder, but prior to a total of one hundred and twenty (120) payments being made, the remaining unpaid monthly benefits shall be paid to the successor Beneficiary designated by the Participant to receive payment in such event or, if none, in accordance with the provisions of Section 5.4.

(ii) Married Participants: A Participant who is married on his or her Annuity Starting Date shall receive his or her benefit in the form of a fifty percent (50%) Joint and Survivor Annuity. The Participant shall receive a monthly retirement benefit payable for his or her lifetime. If the Participant's Spouse is alive at the time of the Participant's death, payments shall be continued to such Spouse in an amount equal to one-half of the reduced amount payable each month during the Participant's lifetime each month until the Spouse's death. The last payment shall be made to the Spouse for the month in which the Spouse's death occurs.

The reduced monthly payments to be made to the Participant under this paragraph shall be in an amount which, on the date of commencement thereof, is the Actuarial Equivalent of the monthly benefit otherwise payable to the Participant under the form of payment described in subparagraph (a)(i).

(b) To receive a benefit under the fifty percent (50%) Joint and Survivor Annuity form of payment, a Participant's Spouse at the time of the Participant's death must be the same Spouse to whom the Participant was married on his or her Annuity Starting Date.

(c) Once a Participant's Annuity Starting Date occurs and retirement benefit payments commence under one of the normal forms of payment, the form of payment will not change even if the Participant's marital status changes.

(d) Subject to the requirements of Section 5.7, a Participant may waive the normal form of payment applicable to him or her and elect to receive payment of his or her benefit in one of the optional forms of payment provided in Section 5.2.

(e) No refund of Participant Contributions will be payable in accordance with Section 7.2 upon the death of the Participant and/or Beneficiary if the Participant receives his or her benefit in the form of a fifty percent (50%) Joint and Survivor Annuity.

5.2 Optional Forms of Benefit.

Within the election period described in Section 5.6, a Participant who is eligible to receive a Normal, Early, or Disability Retirement Benefit may elect to receive payment of such benefit in accordance with any one of the following options. If the Participant is married on his or her Annuity Starting Date, any such election must satisfy the spousal consent requirements of Section 5.7. The monthly payments made under any optional form of payment hereunder shall be the Actuarial Equivalent of the monthly benefit otherwise payable to the Participant in the Ten-Year Certain and Life Annuity form described in Section 5.1.

(a) Single Life Annuity. The Participant shall receive a monthly retirement benefit payable for his or her lifetime, with the last monthly payment being made for the month in which the Participant's death occurs. Except as provided in Section 7.2, in no event will a refund of Participant Contributions be available after the Participant's death.

(b) Ten-Year Certain and Life Annuity. A married Participant may elect to receive a benefit as described in Section 5.1(a)(i).

(c) Joint and Survivor Annuity. The Participant shall receive a reduced monthly retirement benefit payable for his or her lifetime. After the Participant's death, monthly payments shall be made to the Beneficiary designated by the Participant in an amount equal to 50%, 67% or 100% of the amount payable each month during the Participant's lifetime. The percentage of the Participant's monthly benefit payable as a

survivor annuity is determined by the Participant at the time he or she elects this optional form of benefit. The last monthly payment under this option shall be made for the month in which the Beneficiary's death occurs. Except as provided in Section 7.2, in no event will a refund of Participant Contributions be available after the death of both the Participant and Beneficiary.

5.3 Death of Beneficiary Prior to Optional Form Starting Date.

If the Participant's Beneficiary under an optional form of payment dies prior to the Participant's Annuity Starting Date, the election shall become inoperative and ineffective, and benefit payments, if any, shall be made under the normal form of payment provided in Section 5.1, unless the Participant elects another optional form of payment prior to his or her Annuity Starting Date. Once a Participant's Annuity Starting Date occurs, however, the optional form of payment elected by the Participant will not change even if the Participant's marital status changes or the Participant's Beneficiary predeceases the Participant.

5.4 Designation of Beneficiary for Retirement Benefits.

A Participant's Beneficiary may be any individual, individuals, trust, or estate, selected by the Participant, provided that the Beneficiary selected with respect to an optional form with a survivor annuity must be an individual. If the Participant is married on his or her Annuity Starting Date, the Participant must obtain spousal consent as described in Section 5.7 to designate a Beneficiary other than his or her Spouse.

If payment is to be made to a Participant's Beneficiary for the remainder of a period certain under the form of payment elected by the Participant and no Beneficiary survives or the Participant has not designated a Beneficiary, the Participant's Beneficiary shall be the Participant's estate. If any payments are to be made to a trust or to the estate of a Participant as

Beneficiary hereunder, such payments shall be made in an Actuarially Equivalent single sum payment.

5.5 Notice Regarding Forms of Benefit.

No more than ninety (90) days before the Participant's Annuity Starting Date, the Plan Administrator shall provide a Participant with a written description of: (i) the terms and conditions of the normal forms of payment provided in Section 5.1, (ii) the optional forms of payment provided in Section 5.2, (iii) the Participant's right to waive the normal form of payment provided in Section 5.1 and to elect an optional form of payment and the effect of such an election, (iv) the rights of the Participant's Spouse with respect to the Joint and Survivor Annuity form of payment, and (v) the Participant's right to revoke a waiver of the normal form of payment or to change his or her election of an option and the effect thereof. The explanation shall notify the Participant of his or her right to defer payment of his or her retirement benefit under the Plan until his or her Normal Retirement Date, or such later date as may be provided under the Plan.

5.6 Election Period for Forms of Benefit.

A Participant may waive or revoke a waiver of the normal form of payment provided in Section 5.1, or elect, modify, or change an election of an optional form of payment provided in Section 5.2, by written notice delivered to the Town at any time during the ninety (90) day period ending on his or her Annuity Starting Date; provided, however, that no waiver of the normal form of payment and election of an optional form of payment shall be valid unless the Participant has received the notice described in Section 5.5 and, if applicable, has provided spousal consent as set forth in Section 5.7. The form in which a Participant shall receive payment of his or her retirement benefit shall be determined upon his or her Annuity Starting

Date based upon any waiver and election in effect on such date. Except as otherwise specifically provided in the Plan, in no event shall the form in which a Participant's retirement benefit is paid be changed on or after his or her Annuity Starting Date.

5.7 Spousal Consent.

A married Participant's waiver of the normal fifty percent (50%) Joint and Survivor Annuity form of payment and his or her election, modification, or change of an election of an optional form of payment must include the written consent of the Participant's Spouse, if any. A Participant's Spouse shall be deemed to have given written consent to the Participant's waiver and election if the Participant establishes to the satisfaction of the Town that such consent cannot be obtained because of any of the following circumstances:

- (a) the Spouse cannot be located; or
- (b) the Participant is legally separated or has been abandoned within the meaning of local law, and the Participant has a court order to that effect.

Notwithstanding the foregoing, written spousal consent shall not be required if the Participant elects any optional form of payment that is a Joint and Survivor Annuity.

Any written spousal consent given pursuant to this Section shall acknowledge the effect of the waiver of the fifty percent (50%) Joint and Survivor Annuity form of payment and of the election of an optional form of payment, shall specify the optional form of payment selected by the Participant and that such form may not be changed (except to a Joint and Survivor Annuity with the Participant's Spouse as Beneficiary) without written spousal consent, shall specify any Beneficiary designated by the Participant and that such Beneficiary may not be changed without written spousal consent, and shall be witnessed by a Plan representative or a notary public. Any written consent given or deemed to be given by a Participant's Spouse shall be irrevocable and

shall be effective only with respect to such Spouse and not with respect to any subsequent Spouse.

5.8 Death of Participant Prior to Annuity Starting Date.

Notwithstanding any other provision of the Plan to the contrary, should a Participant die prior to his or her Annuity Starting Date, neither the Participant nor any person claiming under or through him or her shall be entitled to any retirement benefit under the Plan; and no benefit shall be paid under the Plan with respect to such Participant except a survivor benefit payable under the provisions of Article VII.

5.9 Effect of Reemployment on Form of Benefit.

Notwithstanding any other provision of the Plan, if a Participant who terminated employment with the Town is reemployed before his or her Annuity Starting Date, his or her prior election of a form of benefit payment hereunder shall become ineffective.

If a Participant who terminated employment with the Town is reemployed after his or her Annuity Starting Date has occurred, his or her prior election of a form of payment shall continue to apply to benefits accrued before his or her reemployment, and shall also apply to benefits accrued after his or her reemployment.

5.10 Required Distributions.

The entire interest of a Participant must be distributed or begin to be distributed no later than the Participant's Required Beginning Date.

All distributions required under this Article shall be determined and made in accordance with Section 401(a)(9) of the Code and its accompanying regulations, including the minimum distribution incidental benefit requirement set forth in Treas. Regs. Section 1.401(a)(9)-6.

5.11 Rollover Distribution Requirements.

(a) The Plan Administrator shall furnish each Participant, no less than thirty (30) days and no more than ninety (90) days prior to the date such Participant will receive a distribution which is not paid in the form of an annuity, with a written explanation of his or her right to elect a Direct Rollover and the withholding consequences of not making such election. A Participant may waive the thirty (30) day minimum time period set forth above.

(b) Unless a Participant elects a Direct Rollover, as defined in paragraph (c) below, twenty percent (20%) of the amount of any lump sum distribution shall be subject to Internal Revenue Service Income Tax Withholding. If a Participant's Accrued Benefit does not exceed \$200 (or such other amount as prescribed by the Internal Revenue Service), the foregoing withholding requirement shall not apply.

(c) A "Direct Rollover" is an eligible rollover distribution (as defined in Treasury Regulations issued pursuant to Sections 401(a)(31) or 402(c) of the Code) that is paid directly to: (a) an individual retirement account described in Section 408(a) of the Code; (b) an individual retirement annuity described in Section 408(b) of the Code; (c) an annuity plan described in Section 403(b) of the Code; (d) an eligible plan under Section 457(b) of the Code maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state; or (e) a qualified plan described in Sections 401(a) or 403(a) of the Code that accepts the eligible rollover distribution. A Participant may elect to have a portion of an eligible rollover distribution distributed to him and a portion distributed as a Direct Rollover. A Direct Rollover of a Participant's Accrued Benefit or a portion thereof may only be made to a single recipient

plan. A Participant may not elect a Direct Rollover of a distribution less than \$200 (\$500 if the Participant is electing a Direct Rollover of only a portion of his Accrued Benefit). A Participant electing a Direct Rollover shall be required to furnish the Plan Administrator with adequate information with respect to the recipient plan, including, but not limited to, the name of the recipient plan and a representation that the recipient plan is an eligible individual retirement plan or qualified defined contribution plan and that it will accept the Participant's Direct Rollover.

If a Participant fails to elect a Direct Rollover or provide the Plan Administrator with adequate information in order to make a Direct Rollover prior to the date distribution is to be made to such Participant, such Participant shall be deemed not to have elected a Direct Rollover.

(d) The foregoing requirements of this Section 5.12 shall apply to distributions made to (i) the Participant's or former Participant's surviving spouse; (ii) the Participant's or former Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code; and (iii) the Participant's or former Participant's non-spouse Beneficiary. However, in the case of a non-spouse Beneficiary, direct rollover distributions may only be made to an individual retirement account or individual retirement annuity that has been established on behalf of the Beneficiary.

5.12 Suspension of Benefits.

If a Participant continues employment with the Town after reaching his or her Normal Retirement Date or a retired or former Eligible Employee is reemployed by the Town, any

benefits payable to such Participant or retired or former Eligible Employee under the Plan shall be suspended during the period of such employment or reemployment, as applicable.

**ARTICLE VI
TERMINATION OF EMPLOYMENT BENEFITS**

6.1 Vesting.

A Participant shall become vested in his or her benefit under the Plan in accordance with the following schedule:

<u>Years of Service</u>	<u>Percentage Vested</u>
Less than 5 Years	0%
5 or more Years	100%

A Participant whose employment is terminated due to Total and Permanent Disability, or who is employed by the Town on his or her Normal Retirement Date, shall be treated for purposes of this Section 6.1 only as though he or she has completed five (5) Years of Service regardless of his or her actual Years of Service on his or her date of termination.

6.2 Non-Vested Termination.

Any Participant whose employment is terminated prior to the completion of five (5) Years of Service shall receive a refund of his or her Participant Contributions in lieu of any other benefit provided under this Plan.

6.3 Deferred Vested Pension.

A Participant whose employment is terminated prior to his or her Normal Retirement Date, but who is fully vested as described in Section 6.1, shall be entitled to receive a Normal Retirement Benefit, an Early Retirement Benefit or a Disability Retirement Benefit if the Participant otherwise meets the requirements to receive such benefits. The Participant's benefit shall be calculated as described in Sections 4.1, 4.2 or 4.3, whichever is applicable, based on his or her Years of Service to the date of his or her termination of employment.

**ARTICLE VII
DEATH BENEFITS**

7.1 Pre-retirement Survivor Annuity.

(a) In the event of the death of a vested married Participant prior to actual retirement, his or her Spouse, if any, will receive a benefit equal to the benefit such Spouse would have received if the Participant had commenced receiving benefits in the form of a fifty percent (50%) Joint and Survivor Annuity. Payment of the survivor portion of such fifty percent (50%) Joint and Survivor Annuity shall begin as of the first day of the month following the Participant's death or, if later, the first day of the month following the earliest date on which the Participant could have retired under the Plan. If payments begin prior to the date on which the Participant would have attained his or her Normal Retirement Date, the Pre-retirement Survivor Annuity will be calculated based on the benefit the Participant would have received, at the earlier of the time of his or her severance from service or his or her death, reduced by the applicable Early Retirement Adjustment Factor set forth in Table A. Payment of the survivor portion of such fifty percent (50%) Joint and Survivor Annuity shall continue for the lifetime of the Spouse with the last monthly payment being for the month in which the Spouse's death occurs.

However, if the Participant's Spouse so elects, payment of the benefit described in this Section 7.1 may be deferred until the date on which the Participant would have reached Normal Retirement Age.

(b) The monthly amount of the Pre-retirement Survivor Annuity payable to a surviving Spouse shall be equal to the survivor benefit that would have been payable to the Spouse if the Participant had:

(i) terminated employment on the earlier of his or her termination of employment date or his or her date of death;

(ii) survived to the date on which payment of the Pre-retirement Survivor Annuity to his or her surviving Spouse commences;

(iii) elected to commence retirement benefits on the date on which payment of the Pre-retirement Survivor Annuity to his or her surviving Spouse commences in the form of a fifty percent (50%) Joint and Survivor Annuity; and

(iv) died on his or her Annuity Starting Date.

To be eligible for the Pre-retirement Survivor Annuity, the Participant and his or her Spouse must have been married on the date of the Participant's death. No death benefit under this Article VII shall be payable on the death of an unmarried Participant or if the Spouse of a married Participant dies prior to the date the payment of benefits under this Section 7.1 begins.

7.2 Special Death Benefit.

Upon a Participant's death, his or her Beneficiary may be eligible for a death benefit as set forth in this Section.

(a) Death Prior to Commencement of Benefit Payments. If a Participant dies prior to his or her Annuity Starting Date and no Pre-retirement Survivor Annuity is payable under the provisions of this Article, then the Participant's Beneficiary shall receive a death benefit, payable in a single sum, that is equal to the Participant's Participant Contributions determined as of the Participant's date of death.

(b) Death After Commencement of Benefit Payments. A Participant's Beneficiary may be eligible for a death benefit as provided below when either of the following requirements is met:

(i) the Participant dies prior to his or her Annuity Starting Date and a Pre-retirement Survivor Annuity is payable under the provisions of this Article, and the Participant's Spouse also dies prior to the payment of such Pre-retirement Survivor Annuity; or

(ii) the Participant dies after his or her Annuity Starting Date and either the form of payment elected by the Participant does not provide for continued benefits in the event of the Participant's death, or his or her Beneficiary also dies prior to receiving payment from the Plan.

If the conditions set forth in either paragraph (i) or paragraph (ii) above are met, the Participant's Beneficiary shall receive a Special Death Benefit, payable in a single sum, that is equal to the excess, if any, of (i) the Participant's Participant Contributions, determined as of the date benefit payments commenced under the Plan, over (ii) the amount of all benefit payments made under the terms of the Plan either to the Participant and/or his or her Beneficiary or to the Participant's Spouse.

(c) Designation of Beneficiary. Each Participant may designate in writing any one or more persons as his or her Beneficiary to receive payment of the Special Death Benefit provided under this Section. Such designation shall be filed with the Town and shall be in such form as the Town shall require. A Participant at any time and from time to time, whether before or after his or her retirement or other termination of

employment, may change the Beneficiary previously designated by him or her by filing with the Town a new designation in such form as it shall require.

If no Beneficiary shall have been designated by a Participant, or if all persons designated by him or her as Beneficiary shall die before becoming entitled to a death benefit hereunder, then such Participant's Beneficiary shall be his or her Spouse or, if none, his or her estate. If a Beneficiary shall die after becoming entitled to receive a death benefit hereunder, but before payment of such death benefit shall have been made in full, and if no other person or persons shall have been designated by the Participant to receive the remaining portion of such death benefit upon the happening of such contingency, the estate of such deceased Beneficiary shall become the Beneficiary as to such remaining portion. A Beneficiary designation under this Section shall be separate from any Beneficiary designation under any other provisions of this Article VII.

7.3 Cashout of Small Death Benefit.

Notwithstanding any other provision contained in this Article VII, if the Actuarial Equivalent of a Participant's death benefit does not exceed \$1,000 and payments have not commenced, the Beneficiary shall receive distribution of such amount in one lump sum in cash as soon as practicable after the Participant's death and in lieu of all other benefits under the Plan.

**ARTICLE VIII
TRUST**

8.1 Trust.

The Trust is maintained by the Trustee for the Plan under a Trust Agreement with the Town. Benefits under the Plan shall be only such as can be provided by the assets of the Trust, and no liability for payment of benefits shall be imposed upon the Town, or any of its elected officials, or employees.

8.2 Expenses of the Plan.

The expenses of administration of the Plan shall be paid from the Trust, unless the Town elects to make payment.

8.3 No Reversion.

The Trust shall be for the exclusive benefit of Participants, Beneficiaries and persons claiming under or through them. All contributions made to the Trust by the Town shall be irrevocable and such contributions, as well as the assets of the Trust, or any portion of the principal or income thereof, shall never revert to or inure to the benefit of the Town except that:

- (a) the residual amounts specified in Article X may be returned to the Town;
- and
- (b) any contributions which are made under a mistake of fact may be returned to the Town within one year after the contributions were made.

The Town shall determine, in its sole discretion, whether the contributions described above, other than the residual amounts described in paragraph (a), shall be returned to the Town. If any such contributions are to be returned, the Town shall direct the Trustee, in writing to return such amounts.

8.4 Forfeitures Not to Increase Benefits.

Any forfeitures arising from the termination of employment or death of a Participant, or for any other reason, shall be used to reduce Town contributions to the Trust, and shall not be applied to increase the benefits any Participant otherwise would receive under the Plan at any time prior to the termination of the Plan.

8.5 Change of Funding Medium.

The Town shall have the right to change at any time the means through which benefits under the Plan shall be provided. No such change shall constitute a termination of the Plan or result in the diversion to the Town of any funds previously contributed in accordance with the Plan.

**ARTICLE IX
PLAN ADMINISTRATION**

9.1 Administration.

The Plan shall be administered by the Town. The Town may delegate the power to administer the Plan to the Town Treasurer.

9.2 Agents.

The Town may employ such agents to perform clerical and other services, and such counsel, accountants and actuaries as it may deem necessary or desirable for administration of the Plan. The Town may rely upon the written opinions or certificates of any agent, counsel, actuary or physician.

9.3 Procedures.

The Town shall adopt such rules, bylaws and/or procedures as it deems desirable and shall keep all such books of account, records and other data as may be necessary for proper administration of the Plan. The Town shall keep a record of all actions and forward all necessary communications to the Trustee and the Town. The Town shall keep records containing all relevant data pertaining to any person affected hereby and such person's rights under the Plan.

9.4 Powers and Duties.

The Town shall have such powers and duties as may be necessary to discharge its function hereunder, including, but not by way of limitation, the following:

- (a) To construe and interpret the Plan, to decide all questions which may arise relative to the rights of Eligible Employees, past and present, and their Beneficiaries, under the terms of the Plan.

(b) To obtain from Eligible Employees such information as shall be necessary for the proper administration of the Plan, and, when appropriate, to furnish such information promptly to the Trustee or other persons entitled thereto.

(c) To prepare and distribute, in such manner as the Town determines to be appropriate, information explaining the Plan.

(d) To furnish the Town, upon request, such reports with respect to the administration of the Plan as are reasonable and appropriate.

(e) To obtain and review reports of the Trustee pertaining to the receipts, disbursements and financial condition of the Trust.

(f) To establish and maintain such accounts in the name of the Town and of each Participant as are necessary.

(g) To delegate in writing all or any part of its responsibilities under the Plan to the Trustee and in the same manner revoke any such delegation of responsibility. Any action of the Trustee in the exercise of such delegated responsibilities shall have the same force and effect for all purposes as if such action had been taken by the Town. The Trustee shall have the right, in its sole discretion, by written instrument delivered to the Town, to reject and to refuse to exercise any such delegated authority.

(h) To determine, upon the advice of the Actuary, the amount to be contributed by the Town for inclusion in the annual budget.

9.5 Retirement Board.

(a) The investment of the Plan's assets shall be administered by a Retirement Board consisting of such members as set forth in the Town Charter. The members so

appointed to the Retirement Board shall elect a chairperson of the Retirement Board at the first meeting of the calendar year of the Retirement Board.

The appointed member may, but need not be, a Participant under the Plan, but, if the appointed member is a Participant, he or she shall refrain from voting on any question relating to his or her benefits under the Plan. The Retirement Board shall serve without remuneration. An action of the majority of the voting members of the Retirement Board expressed from time to time by a vote at a meeting, or in writing without a meeting, shall constitute an action of the Retirement Board.

(b) The Retirement Board shall advise the Trustee, in writing, with respect to investment and reinvestment of the contributions under the Plan; if instructions are not forthcoming, however, the Trustee shall have full power to invest and reinvest any funds under its control. The Trustee's rights and duties relative to investments which are contained in the Trust Agreement shall inure to the benefit of, and are binding upon, the Retirement Board when it renders investment advice.

9.6 Liability and Indemnification of the Retirement Board.

In connection with any action or determination concerning the Plan's investments, the Retirement Board, or any designee, shall be entitled to rely upon information furnished by the Town. To the extent permitted by law, the Town shall indemnify the Retirement Board, and any designee, against any liability or loss sustained by reason of any act or failure to act in its administrative capacity, if such act or failure to act does not involve willful misconduct, fraud or a lack of good faith. Such indemnification shall include attorney's fees and other costs and expenses reasonably incurred in defense of any action brought against the Retirement Board, or any designee, by reason of any such act or failure to act.

9.7 Standard of Review.

The Town, Retirement Board and Trustee shall have sole discretion to make decisions regarding a Participant's or Beneficiary's benefits and such decision shall be conclusive and binding on all parties. The Town, in its discretion, shall have the authority to interpret all provisions of this Plan, and to make all decisions regarding administration of the Plan and eligibility for benefits under the Plan, and such interpretation shall be conclusive and binding on all parties. All decisions of the Town with respect to this Plan, or the Retirement Board with respect to the Plan's investments, shall be respected unless arbitrary and capricious.

9.8 Expenses.

The Town shall pay or reimburse the Retirement Board for all expenses reasonably incurred by it in the administration of the Plan.

9.9 Domestic Relations Order Approval Procedures.

The Plan Administrator shall establish reasonable procedures to determine the status of domestic relations orders and to administer distributions under domestic relations orders which it approves.

**ARTICLE X
AMENDMENT AND TERMINATION**

10.1 Amendment.

The Plan may be amended by the Town from time to time but any such amendment shall not affect the benefits of retired Participants nor shall it have the affect of diverting any part of the Trust for purposes other than the exclusive benefit of Participants, retired Participants and Beneficiaries; except however, the Plan may be amended, as necessary and appropriate, to qualify and maintain the Plan as a plan meeting the requirements of Section 401(a) of the Internal Revenue Code as now in effect or hereafter amended, or any other applicable provisions of the federal tax laws as now in effect or hereafter amended or adopted, and the regulations issued thereunder.

10.2 Termination.

It is intended that the Plan will be continued indefinitely, but the Town reserves the right to terminate the Plan at any time for any reason. In the event the Plan is terminated the rights of each Eligible Employee to benefits accrued as of the date of such termination shall be fully vested and non-forfeitable.

10.3 Residual Assets.

Subject to the provisions of any applicable collective bargaining agreement, any residual assets of the Plan shall be distributable to the Town if:

- (a) all Plan liabilities to Participants and their Beneficiaries have been satisfied; and
- (b) the distribution does not contravene any provision of law.

**ARTICLE XI
LIMITATIONS ON BENEFITS**

11.1 Basic Limitation.

(a) Regardless of any other provision of this Plan, pursuant to Section 415(b) of the Code, the annual benefit payable hereunder (expressed as a straight life annuity with no ancillary benefits, as provided in regulations pursuant to Section 415(b)(2)(B) of the Code), except as otherwise provided below, shall not exceed \$195,000 (for 2009), as adjusted in subsequent years pursuant to Code Section 415(d) to reflect cost-of-living increases. For purposes of applying Section 415(b) of the Code, the limitation year shall be the calendar year as it relates to this Plan.

(b) In the case of a benefit beginning after the Participant attains age sixty-five (65), such dollar limitation shall be of Actuarial Equivalent value to the defined benefit dollar limitation applicable to the Member at age sixty-five (65) (adjusted as provided in paragraph (a) above, if required).

(c) In the case of a benefit beginning prior to the Participant's attainment of age sixty-two (62), the dollar limitation described in Section 415(b)(1)(A) of the Code shall be of Actuarial Equivalent value to the maximum benefit payable at age sixty-two (62) (adjusted as provided in paragraph (a) above, if required).

(d) If the retirement allowance is payable neither as a life annuity nor a qualified joint and survivor annuity with the Participant's Spouse as beneficiary, the maximum limitation shall be of Actuarial Equivalent value to the maximum limitation otherwise payable. No mortality adjustment shall be made in determining such maximum benefit, provided that: (i) the Plan continues to grant a qualified preretirement survivor annuity for which no charge is made, or (ii) there is otherwise no forfeiture of

benefits upon the Participant's death prior to the annuity commencement date with respect to benefits paid prior to attainment of age sixty-two (62), or between the Member's attainment of age sixty-five (65) and the annuity commencement date for benefits commencing after attainment of age sixty-five (65).

(e) Exception to Basic Limitation. The limitation in subparagraphs (a), (b) (c) and (d) above shall not be applied to reduce the benefit of any Participant below \$10,000.

(f) Secondary Limitations. The dollar limitation in paragraph (a) shall be reduced in the case of any Participant who has had less than ten (10) years of participation in the Plan by multiplying the limitation by a fraction whose numerator is the number of years (or part thereof) of participation in the Plan and the denominator of which is ten (10).

(g) Notwithstanding any other Plan provisions to the contrary, Actuarial Equivalent value for purposes of this Section shall be determined in accordance with Section 415(b) of the Code and the regulations or rulings issued thereunder. Benefits paid in a form to which Section 417(e)(3) does not apply shall be computed using whichever of the following factors produce the greatest Actuarial Equivalent straight life annuity benefit: (a) the Plan's early retirement, late retirement, or optional factors, as appropriate, or (b) the IRS Mortality Table, if applicable, and an interest rate of five percent (5%). Benefits paid in a form to which Section 417(e)(3) applies shall be computed using whichever of the following three factors produce the greatest Actuarial Equivalent straight life annuity benefit:

(i) the Plan's early retirement, late retirement, or optional factors, as appropriate;

(ii) the IRS Mortality Table, if applicable, and an interest rate of five and one-half percent (5.5%); or

(iii) the applicable interest rate under Treas. Reg. § 1.417(e)-1(d)(3) and the IRS Mortality Table, divided by 1.05.

For distributions made in the 2004 and 2005 Plan Years only, Actuarial Equivalent value shall be computed using whichever of the following factors produce the greatest Actuarial Equivalent straight life annuity benefit: (A) the Plan's early retirement, late retirement, or optional factors, as appropriate, or (B) the IRS Mortality Table and an interest rate of five and one-half percent (5.5%).

If the maximum benefit payable to a Participant must be adjusted, such adjustment shall be made in accordance with the provisions of Section 415(b) of the Code.

(h) For the purpose of Section 11.1, "Annual Benefit" means the Town Derived Benefit payable in the form of a straight life annuity with no ancillary benefits. If the Annual Benefit is payable in any form other than a straight life annuity with no ancillary benefits, then for the purposes of applying the general limitations of Section 11.1, the Annual Benefit shall be adjusted to a value equivalent to the straight life annuity.

11.2 Exception for Certain Police Department Participants.

The limitation in Section 11.1(c) shall not be applied to reduce the benefit of a Participant who is a uniformed member of the Town's Police Department who has at least fifteen (15) Years of Service as a full-time employee of the Police Department providing police protection services.

11.3 Exception for Death Benefits and Disability Benefits.

The limitation in Section 11.1(c) shall not be applied to reduce (i) the benefit of a Participant who receives a Disability Retirement Benefit in accordance with the provisions of the Plan, or (ii) the Death Benefits payable to the Spouse under Section 7.1 of the Plan.

ARTICLE XII
MISCELLANEOUS

12.1 No Contract of Employment.

This Plan shall not be construed to give any Employee the right to be retained in the employ of the Town.

12.2 Non-Assignability.

All payments, benefits and refunds hereunder to a Participant, Beneficiary or other payee are for the support and maintenance of such Participant, Beneficiary or other payee, and shall not be assigned, commuted or anticipated, and shall be free from the claims of all creditors to the fullest extent permitted by law. If any Participant, Beneficiary or other payee entitled to any benefit under the Plan shall attempt to assign, commute or anticipate any benefit under the Plan, then such benefit shall, in the discretion of the Town, cease and terminate, and in that event the Town shall have such benefit held or applied to or for the benefit of such person, his or her spouse, children, or other dependents or any of them in such manner and in such proportion as the Town shall determine. Notwithstanding any provision in the Plan to the contrary, that the Town shall be authorized to comply with the terms of a any judgment, decree or order which establishes the rights of another person to all or a portion of the Participant's benefit under the Plan to the extent it is a domestic relations order entered by court order and does not require the Plan to provide any type or form of benefit, or any option that is not otherwise provided under the provisions of the Plan.

12.3 Facility of Payment.

If, in the judgment of the Town, any Participant, Beneficiary or other payee is legally, physically or mentally incapable of personally receiving and receipting for any payment due him or her, such payment or any part thereof, may be made to any person or institution who, in the

opinion of said Town, is then maintaining or has custody of the Participant, Beneficiary or other payee, until a claim is made by the duly appointed guardian or other legal representative of the Participant, Beneficiary or other payee.

12.4 Claims of other Persons.

Nothing in the Plan or Trust Agreement shall be construed as giving any Participant or any other person, firm, or corporation, any legal or equitable right as against the Town, their officials or employees, or as against the Trustee, except such rights as are specific provided for in the Plan or Trust Agreement or hereafter created in accordance with the terms and provisions of the Plan.

12.5 Governing Law.

Except as provided under federal law, the provisions of the Plan shall be governed by and construed in accordance with the laws of the State of Connecticut.

12.6 Benefit Offsets for Overpayments.

If a Participant or Beneficiary receives benefits hereunder for any period in excess of the amount of benefits to which he or she was entitled under the terms of the Plan as in effect for such period, such overpayment shall be offset against current or future benefit payments, as applicable, until such time as the overpayment is entirely recouped by the Plan.

IN WITNESS WHEREOF, the Town has caused this amended and restated Plan to be executed on this 14 day of January, 2009.

The Town of East Windsor
By Donise Menard
Its First Selectman

**APPENDIX A
PROVISIONS FOR EMPLOYEES OF THE
WATER POLLUTION CONTROL AUTHORITY**

This Appendix A lists the provisions applicable to Eligible Employees of the Town who are employed by the Water Pollution Control Authority ("WPCA") and who are represented by a collective bargaining unit. In the event that the provisions of this Appendix A are inconsistent with the terms contained in the remainder of the Plan, the provisions contained in this Appendix A shall take precedence. For purposes of this Appendix A, "Participant" means an Eligible Employee of the Town employed by the WPCA and who is represented by a collective bargaining unit.

1. Entry Date.

The Entry Date is the first day of the Plan Year on which an Eligible Employee becomes an Active Participant which shall occur coinciding with or following the later of:

- (a) the date he or she completes one Year of Service measured from the Eligible Employee's date of hire; or
- (b) the date he or she attains age twenty-one (21).

2. Picked-up Contributions.

The Participant's Picked-up Contributions shall be equal to two percent (2%) of the Participant's Earnings for the Plan Year.

3. Normal Retirement.

(a) Normal Retirement Date means the first day of the Plan Year closest to the later of (i) the date on which the Participant attains age sixty (60), or (ii) the fifteenth (15th) anniversary of the date on which the Participant commenced participation in the Plan.

(b) A Participant's annual Normal Retirement Benefit shall be equal to one and three quarters percent (1.75%) of the Participant's Average Annual Earnings multiplied by the number of years of his or her Benefit Service, provided, that in no event shall a Participant's Normal Retirement Benefit be equal to more than seventy percent (70%) of the Participant's Average Annual Earnings.

(c) For purposes of paragraph (b) above, Average Annual Earnings shall mean a Participant's Average Annual Earnings received during the three (3) consecutive Plan Year period preceding the date on which the Participant's employment terminates (or the Participant's period of employment, if shorter) during which the Participant receives the greatest amount of Earnings. In the event a Participant has not completed three (3) full, consecutive Plan Years prior to the date on which the Participant's employment terminates, for purposes of determining a Participant's Average Annual Earnings, the Participant's Earnings for any partial Plan Year shall be determined by dividing the Participant's Earnings for such partial Plan Year by the

Participant's number of completed months of Service and by multiplying that number by twelve (12).

**APPENDIX B
PROVISIONS FOR PARTICIPANTS EMPLOYED BY THE
POLICE DEPARTMENT**

This Appendix B lists the provisions applicable to Eligible Employees of the Town who are employed by the Town Police Department and who are represented by a collective bargaining unit. In the event that the provisions of this Appendix B are inconsistent with the terms contained in the remainder of the Plan, the provisions contained in this Appendix B shall take precedence. For purposes of this Appendix B, "Participant" means an Eligible Employee of the Town employed by the Police Department and represented by the Police union.

1. Entry Date.

The Entry Date is the first day of the Eligible Employee's employment with the Town. No new Employee shall be an Eligible Employee on or after July 1, 2007.

2. Picked-up Contributions.

The Participant's Picked-up Contributions shall be equal to seven percent (7%) of the Participant's Earnings for the Plan Year, except, the Picked-up Contributions for a Participant who is employed as a Dispatcher and was a Participant in the Plan on July 6, 2003 shall be equal to five percent (5%) of the Participant's Earnings for the Plan Year.

3. Normal Retirement.

(a) Normal Retirement Date means the first day of the Plan Year closest to the following:

- (i) For Participants other than dispatchers and uniformed or investigatory sworn police officers, Normal Retirement Date means the later of (A) the date on which the Participant attains age sixty-five (65) or (B) the fifth (5th) anniversary of the date on which the Participant commenced participation in the Plan.
- (ii) For Participants who are police department dispatchers, the later of (A) the date on which the Participant attains age sixty (60); or (B) the twenty-fifth (25th) anniversary of the date on which the Participant commenced participation in the Plan.
- (iii) For Participants who are uniformed or investigatory sworn police officers, the date on which the Participant retires from service with the Town which is the later of (A) the date on which the Participant attains age fifty (50); or (B) the twenty-fifth (25th) anniversary of the date on which the Participant commenced participation in the Plan; provided, that if a Participant retires from service with the Town prior to his twenty-fifth (25th) anniversary of commencement of participation in the Plan, Normal Retirement Date shall be the date he or she attains age sixty (60).

(b) A Participant's annual Normal Retirement Benefit shall be equal to two and one quarter percent (2.25%) of the Participant's Average Annual Earnings multiplied by the number of years of his or her Benefit Service, provided, that in no event shall a Participant's Normal Retirement Benefit be equal to more than seventy percent (70%) of the Participant's Average Annual Earnings.

For purposes of paragraph (b) above, "Average Annual Earnings" means a Participant's Average Annual Earnings received during the two (2) consecutive Plan Year period preceding the date on which the Participant's employment terminates (or the Participant's period of employment, if shorter) during which the Participant receives the greatest amount of Earnings. In the event a Participant has not completed two (2) full, consecutive Plan Years prior to the date on which the Participant's employment terminates, for purposes of determining a Participant's Average Annual Earnings, the Participant's Earnings for any partial Plan Year shall be determined by dividing the Participant's Earnings for such partial Plan Year by the Participant's number of completed months of Service and by multiplying that number by twelve (12).

4. Contribution for Prior Service.

If an Active Participant did not make Mandatory Employee Contributions or Pick Up Contributions commencing on his first day of employment due to the prior provisions of the Plan then such Participant shall be required to make up any such contributions on a retroactive basis by contributing the amount he would have made to the Plan had contributions been required for any such period or periods. Such retroactive Make-up Contributions shall be made in a single lump-sum payment, otherwise they shall be made on an installment basis over a reasonable period of time as determined by the Town. Such Make-up Contributions shall not be picked-up pursuant to Section 414(h) of the Code.

5. Service Credit.

For all purposes of the Plan, a Participant shall receive credit for service, including Benefit Service, for periods in which such Participant served as a supernumerary for the Police Department of the Town.

**APPENDIX C
PROVISIONS FOR PARTICIPANTS EMPLOYED AS
CLERICAL EMPLOYEES**

This Appendix C lists the provisions applicable to Eligible Employees of the Town who are employed as clerical employees and who are represented by a collective bargaining unit. In the event that the provisions of this Appendix C are inconsistent with the terms contained in the remainder of the Plan, the provisions contained in this Appendix C shall take precedence. For purposes of this Appendix C, "Participant" means an Eligible Employee of the Town employed in a clerical position and represented by the clerical union.

1. Entry Date.

The Entry Date is the first day of the Eligible Employee's employment with the Town.

2. Picked-up Contributions

The Participant's Picked-up Contributions shall be equal to two percent (2%) of the Participant's Earnings for the Plan Year.

3. Normal Retirement.

(a) Normal Retirement Date means the first day of the Plan Year closest to the later of (i) the date on which the Participant attains age sixty-five (65) or (ii) the fifth (5th) anniversary of the date on which the Participant commenced participation in the Plan.

(b) A Participant's annual Normal Retirement Benefit shall be equal to one and three quarters percent (1.75%) of the Participant's Average Annual Earnings multiplied by the number of years of his or her Benefit Service, provided, that in no event shall a Participant's Normal Retirement Benefit be equal to more than seventy percent (70%) of the Participant's Average Annual Earnings.

(c) For purposes of paragraph (b) above, "Average Annual Earnings" means his or her Average Annual Earnings received during the three (3) consecutive Plan Year period preceding the date on which the Participant's employment terminates (or the Participant's period of employment, if shorter). In the event a Participant has not completed three (3) full, consecutive Plan Years prior to the date on which the Participant's employment terminates, for purposes of determining a Participant's Average Annual Earnings, the Participant's Earnings for any partial Plan Year shall be determined by dividing the Participant's Earnings for such partial Plan Year by the Participant's number of completed months of Service and by multiplying that number by twelve (12).

4. Contribution for Prior Service.

If an Active Participant did not make Mandatory Employee Contributions or Pick Up Contributions commencing on his first day of employment due to the prior provisions of the Plan then such Participant shall be required to make up any such contributions on a retroactive basis

by contributing the amount he would have made to the Plan had contributions been required for any such period or periods. Such retroactive Make-up Contributions shall be made in a single lump-sum payment, otherwise they shall be made on an installment basis over a reasonable period of time as determined by the Town. Such Make-up Contributions shall not be picked-up pursuant to Section 414(h) of the Code.

APPENDIX D
PROVISIONS FOR PARTICIPANTS EMPLOYED AS
SUPERVISORY EMPLOYEES

This Appendix D lists the provisions applicable to Eligible Employees of the Town who are employed as supervisory employees and who are represented by a collective bargaining unit. In the event that the provisions of this Appendix D are inconsistent with the terms contained in the remainder of the Plan, the provisions contained in this Appendix D shall take precedence. For purposes of this Appendix D, "Participant" means an Eligible Employee of the Town employed in a supervisory position and who is represented by a collective bargaining unit.

1. Entry Date.

The Entry Date is the first day of the Plan year on which an Eligible Employee becomes an Active Participant which shall occur coinciding with or following the later of:

- (a) the date he or she attains age twenty-five (25); or
- (b) the date he or she completes one Year of Service measured from the Eligible Employee's date of hire.

2. Picked-up Contributions.

The Participant's Picked-up Contributions shall be equal to two percent (2%) of the Participant's Earnings for the Plan Year.

3. Normal Retirement.

(a) Normal Retirement Date means the first day of the Plan Year closest to the later of (i) the date on which the Participant attains age sixty-five (65) or (ii) the fifth (5th) anniversary of the date on which the Participant commenced participation in the Plan.

(b) A Participant's annual Normal Retirement Benefit shall be equal to one and three quarters percent (1.75%) of the Participant's Average Annual Earnings multiplied by the number of years of his or her Benefit Service, provided, that in no event shall a Participant's Normal Retirement Benefit be equal to more than seventy percent (70%) of the Participant's Average Annual Earnings.

(c) For purposes of paragraph (b) above, "Average Annual Earnings" means a Participant's Average Annual Earnings received during the three (3) consecutive Plan Years immediately preceding the date on which the Participant's employment terminates (or the Participant's period of employment, if shorter). In the event a Participant has not completed three (3) full, consecutive Plan Years prior to the date on which the Participant's employment terminates, for purposes of determining a Participant's Average Annual Earnings, the Participant's Earnings for any partial Plan Year shall be determined by dividing the Participant's Earnings for such partial Plan Year by the Participant's number of completed months of Service and by multiplying that number by twelve (12).

**APPENDIX E
PROVISIONS FOR PARTICIPANTS EMPLOYED AS
NON-CERTIFIED BOARD OF EDUCATION EMPLOYEES**

This Appendix E lists the provisions applicable to Eligible Employees of the Town who are employed as non-certified employees of the Town Board of Education and who are represented by a collective bargaining unit. In the event that the provisions of this Appendix E are inconsistent with the terms contained in the remainder of the Plan, the provisions contained in this Appendix E shall take precedence. For purposes of this Appendix E, "Participant" means an Eligible Employee of the Town employed as a non-certified employee of the Town Board of Education and who is represented by a collective bargaining unit.

1. Entry Date.

The Entry Date is the first day of the Plan Year on which an Eligible Employee becomes an Active Participant which shall occur coinciding with or following the later of:

(a) the date he or she attains age twenty-one (21); or.

(b) the date he or she completes one Year of Service measured from the Eligible Employee's date of hire.

2. Picked-up Contributions.

The Participant's Picked-up Contributions shall be equal to two percent (2%) of the Participant's Earnings for the Plan Year.

3. Normal Retirement.

(a) Normal Retirement Date means the first day of the Plan Year closest to the later of (i) the date on which the Participant attains age sixty-five (65), or (ii) the fifth (5th) anniversary of the date on which the Participant commenced participation in the Plan.

(b) A Participant's annual Normal Retirement Benefit shall be equal to one and three quarters percent (1.75%) of the Participant's Average Annual Earnings multiplied by the number of years of his or her Benefit Service, provided, that in no event shall a Participant's Normal Retirement Benefit be equal to more than seventy percent (70%) of the Participant's Average Annual Earnings.

(c) For purposes of paragraph (b) above, "Average Annual Earnings" means the Participant's Average Annual Earnings received during the three (3) consecutive Plan Years immediately preceding the date on which the Participant's employment terminates (or the Participant's period of employment, if shorter). In the event a Participant has not completed three (3) full, consecutive Plan Years prior to the date on which the Participant's employment terminates, for purposes of determining a Participant's Average Annual Earnings, the Participant's Earnings for any partial Plan Year shall be determined by dividing the Participant's

Earnings for such partial Plan Year by the Participant's number of completed months of Service and by multiplying that number by twelve (12).

APPENDIX F
PROVISIONS FOR PARTICIPANTS EMPLOYED AS
PUBLIC WORKS EMPLOYEES

This Appendix F lists the provisions applicable to Eligible Employees of the Town who are employed by the Public Works department and who are represented by a collective bargaining unit. In the event that the provisions of this Appendix F are inconsistent with the terms contained in the remainder of the Plan, the provisions contained in this Appendix F shall take precedence. For purposes of this Appendix F, "Participant" means an Eligible Employee of the Town employed by the Public Works department and who is represented by a collective bargaining unit.

1. Entry Date.

The Entry Date is the first day of the Eligible Employee's employment with the Town. No new Employee shall be an Eligible Employee on and after July 1, 2007.

2. Picked-up Contributions.

The Participant's Picked-up Contributions shall be equal to five percent (5%) of the Participant's Earnings for the Plan Year.

3. Normal Retirement.

(a) Normal Retirement Date means the first day of the Plan Year closest to the later of (i) the date on which the Participant attains age sixty (60) or (ii) the fifteenth (15th) anniversary of the date on which the Participant commenced participation in the Plan.

(b) A Participant's annual Normal Retirement Benefit shall be equal to two percent (2%) of the Participant's Average Annual Earnings multiplied by the number of years of his or her Benefit Service, provided, that in no event shall a Participant's Normal Retirement Benefit be equal to more than seventy-five percent (75%) of the Participant's Average Annual Earnings.

(c) For purposes of paragraph (b) above, Average Annual Earnings shall mean a Participant's Average Annual Earnings received during the three (3) consecutive Plan Year period preceding the date on which the Participant's employment terminates (or the Participant's period of employment, if shorter) during which the Participant receives the greatest amount of Earnings. In the event a Participant has not completed three (3) full, consecutive Plan Years prior to the date on which the Participant's employment terminates, for purposes of determining a Participant's Average Annual Earnings, the Participant's Earnings for any partial Plan Year shall be determined by dividing the Participant's Earnings for such partial Plan Year by the Participant's number of completed months of Service and by multiplying that number by twelve (12).

4. Contribution for Prior Service.

If an Active Participant did not make Mandatory Employee Contributions or Pick Up Contributions commencing on his first day of employment due to the prior provisions of the Plan then such Participant shall be required to make up any such contributions on a retroactive basis by contributing the amount he would have made to the Plan had contributions been required for any such period or periods. Such retroactive Make-up Contributions shall be made in a single lump-sum payment, otherwise they shall be made on an installment basis over a reasonable period of time as determined by the Town. Such Make-up Contributions shall not be picked-up pursuant to Section 414(h) of the Code.

APPENDIX G
PROVISIONS FOR NON-AFFILIATED EMPLOYEE PARTICIPANTS

This Appendix G lists the provisions applicable to Eligible Employees of the Town who are not affiliated with any collective bargaining unit. In the event that the provisions of this Appendix G are inconsistent with the terms contained in the remainder of the Plan, the provisions contained in this Appendix G shall take precedence. For purposes of this Appendix G, "Participant" means an Eligible Employee of the Town who is not affiliated with a collective bargaining unit.

1. Entry Date.

The Entry Date is the first day of the Plan Year on which an Eligible Employee becomes an Active Participant which shall occur coinciding with or following the date he or she completes one Year of Service measured from the Eligible Employee's date of hire.

2. Picked-up Contributions.

The Participant's Picked-up Contributions shall be equal to two percent (2%) of the Participant's base salary for the Plan Year.

3. Normal Retirement.

(a) Normal Retirement Date means the first day of the Plan Year closest to the later of (i) the date on which the Participant attains age sixty-five (65) or (ii) the fifth (5th) anniversary of the date on which the Participant commenced participation in the Plan;

(b) A Participant's annual Normal Retirement Benefit shall be equal to one and three quarters percent (1.75%) of the Participant's Average Annual Earnings multiplied by the number of years of his or her Benefit Service, provided, that in no event shall a Participant's Normal Retirement Benefit be equal to more than seventy percent (70%) of the Participant's Average Annual Earnings.

(c) For purposes of paragraph (b) above, "Average Annual Earnings" means the Participant's Average Annual Earnings received during the three (3) consecutive Plan Years immediately preceding the date on which the Participant's employment terminates (or the Participant's period of employment, if shorter). In the event a Participant has not completed three (3) full, consecutive Plan Years prior to the date on which the Participant's employment terminates, for purposes of determining a Participant's Average Annual Earnings, the Participant's Earnings for any partial Plan Year shall be determined by dividing the Participant's Earnings for such partial Plan Year by the Participant's number of completed months of Service and by multiplying that number by twelve (12).