WORK SESSION AGENDA
WYOMING CITY COUNCIL MEETING
CITY COUNCIL CHAMBERS

Monday, January 11, 2016, 7:00 P.M.

1) **Call to Order**

2) **Student Recognition**

3) **Public Comment on Agenda Items (3 minute limit per person)**

4) **Presentation by Jim Anderson from Gabriel Roeder Smith & Company**

5) **Restated Pension Plan**

6) **Presentation on Community Enrichment Commission By-laws**

7) **Library Millage**

8) **Preliminary Budget Discussion**

9) **Any Other Matters**

10) **Acknowledgement of Visitors/Public Comment (3 minute limit per person)**

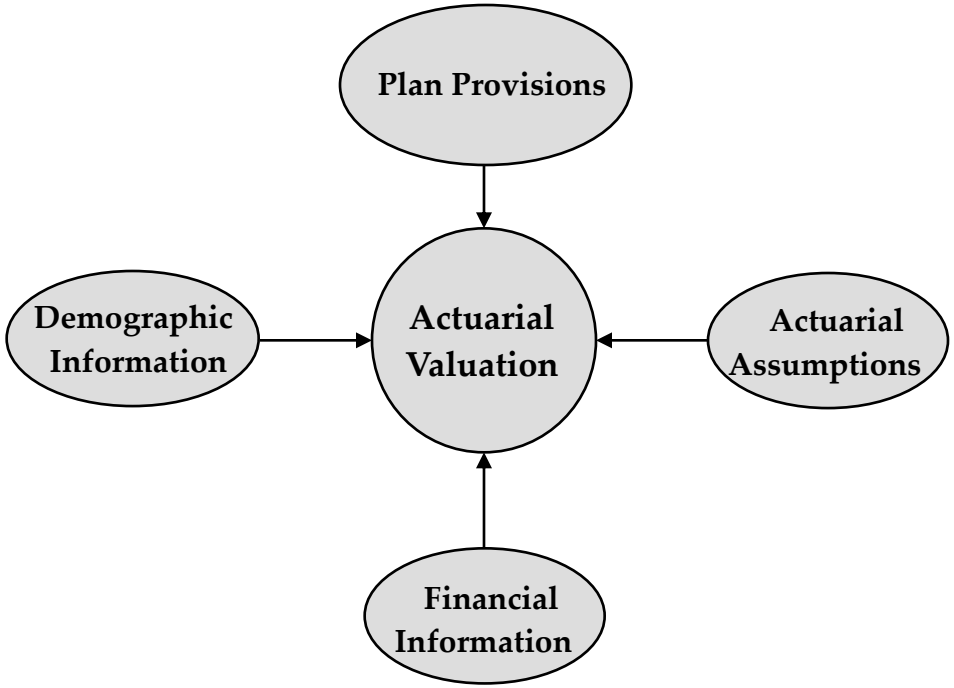
City of Wyoming
-- Employees Retirement System
-- Retiree Health Care Plan

Actuarial Valuation Review
January 11, 2016

GRS
Gabriel Roeder Smith & Company
Consultants & Actuaries
www.gabrielroeder.com

Copyright © 2016 GRS – All rights reserved.

Components of the Actuarial Valuation



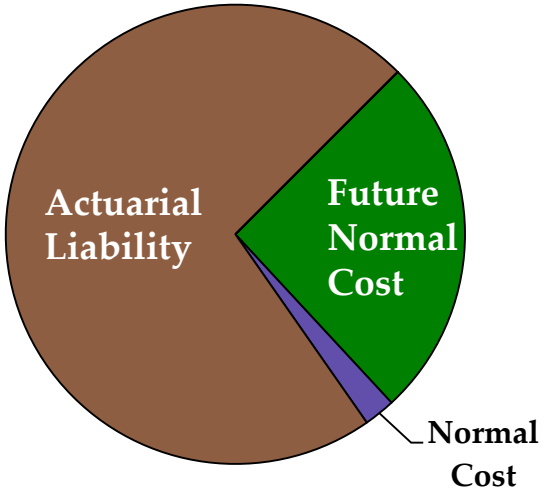
- Demographic Information, Financial Information & Plan Provisions are provided by the plan sponsor.
- Actuarial Assumptions are recommended by the actuary and approved by the Board.
- The actuarial valuation is a mathematical process used to project future payments on account of specified benefit provisions. These projected payouts are converted to equivalent present value amounts and a corresponding dollar contribution is determined.

GRS

Components of the Actuarial Valuation

- **Present Value of Future Benefits** - Present Value (PV) of all future benefits payable to current participants (active, retired, terminated vested)
- **Actuarial Liability** - Portion of PV of Future Benefits allocated to prior years
- **Normal Cost** - Portion of PV of Future Benefits allocated to current year
- **Future Normal Costs** - Portion of PV of Future Benefits allocated to future years

Present Value of Future Benefits



GRS

Basic Retirement Funding Equation

$$C + I = B + E$$

- Where:
  - C is Contribution Income
  - I is Investment Return
  - B is Benefits Paid
  - E is Expenses

"Money In = Money Out"

GRS

Basic Retirement Funding Equation

C + I = B + E

- B (Benefits Paid) depends on
  - Plan Provisions
  - Experience
- C (Contribution Income) depends on
  - Short Term: Actuarial Assumptions
Actuarial Cost Method
  - Long Term: I, B, E

GRS

Actuarial Assumption Update
Experience Study: July 2010 – June 2014

- Future economic growth likely to continue to be suppressed compared to historical levels
  - Recommend lowering inflation assumptions
  - Based on current investment policies and target asset allocations, we recommend lowering the investment return assumption
- Retirees continue to live longer locally and nationally and the current assumption needs to be strengthened

GRS

Investment Return Assumption

- The current assumption is 7.75%
  - Represents the return, net of all investment expenses
  - Current assumption equals 3.25% inflation plus 4.50% real return, net of all investment expenses
- Like many Retirement Systems, Wyoming has historically achieved favorable investment returns
  - Future outlook not as favorable, especially in short run

Experience study recommends decreasing investment return assumption to 7.25%

GRS

Investment Return Assumption -- Retiree Health Care Plan

- Retiree Health Care Plan recent changes
  - June 30, 2011 valuation = 7.75% (Invested rate)
  - June 30, 2013 valuation = 5.50% (Blended rate)
  - June 30, 2015 valuation = 4.00% (~Return on City Assets)
- GASB accounting allows for using invested rates if the full Annual Required Contribution (ARC) is made
  - Wyoming Retiree Health Care Plan received
    - 72% of the ARC prior to 2013 valuation (therefore 5.5% Blended Rate was used)
    - PAYGO costs prior to 2015 valuation (therefore, 4% Return on City Assets was used)

GRS

Valuation Assumption Updates – Mortality

- Retirement System and Retiree Health Care Plan both adopted RP-2014 mortality table with MP-2014 projection at 6/30/15
- Future Life Expectancy (years)

Age	New Table Male	New Table Female	Old Table Male	Old Table Female
50	34.78	37.43	30.80	33.59
60	26.10	28.39	21.74	24.38
70	18.02	19.87	13.88	16.23
80	10.92	12.36	7.75	9.68

GRS

Valuation Assumption Updates -- Summary

- Why is it necessary to decrease investment return and update mortality assumptions?
  - Ensure adequate funding
  - Avoid persistent liability losses
  - Need to comply with ASOPs
  - Failure to do so would likely shift costs to future generations
- If assumptions are not updated for June 30, 2015 funding valuation, GRS will issue a qualified report

Retirement System Contributions

	Projected[1] Contribution Rate	Projected[1] Contribution Dollars ($ Millions)	Funded Status (AVA/Liability)
June 30, 2014 Valuation	24.80%	$3.9	88.1%
June 30, 2015 Valuation	34.52%	$4.9	82.1%

[1] Contributions effective for Fiscal Year 2 years after valuation date, based on members in the plan

- Change from 2014-2015 due to:
  - Asset and salary gains
  - Experience study updates
  - Fewer active members and lower payroll

GRS

Retiree Health Contributions

	Contribution per Reports ($ Millions)	Expected Employer-paid Portion of Retiree Claims (Next Fiscal Year)	Funded Status (MVA/Liability)
June 30, 2013 Valuation	$7.7	$3.2	25.3%
June 30, 2015 Valuation	$11.1	$3.5	19.9%

- Change from 2013-2015 due to:
  - Favorable claims experience, lower ultimate trend
  - Experience study updates
  - Fewer active members and lower payroll

GRS

Disclaimers

- This presentation is intended to be used in conjunction with the respective June 30 actuarial valuation reports. This presentation should not be relied on for any purpose other than the purpose described in the valuation report.
- Circular 230 Notice: Pursuant to regulations issued by the IRS, to the extent this presentation concerns tax matters, it is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) marketing or recommending to another party any tax-related matter addressed within. Each taxpayer should seek advice based on the individual's circumstances from an independent tax advisor.
- This presentation shall not be construed to provide tax advice, legal advice or investment advice.

MEMORANDUM Retirement Board
City of Wyoming

TO: Mayor and City Councilmembers
Bargaining Unit Presidents

FROM: Andrea Boot, Retirement Board Chair

Cc: Retirement Board of Trustees
Rosa Ooms, Deputy Director of Finance
Kim Oostindie, Director of Human Resources

DATE: December 2, 2015

RE: Update on Activities by the City of Wyoming Retirement Board

---

On behalf of the City of Wyoming Retirement Board, I would like to update you on recent activities regarding IRS requirements and Retirement Plan updates. The current Board Trustees includes Councilmember Sam Bolt, Curtis Holt, Dave Mawby, Aaron Vis, me, and citizen representative Bob Kaminski.

IRS rules require that retirement plans be reviewed and restated every five years. This was last done in 2011 for the City of Wyoming Retirement System and it is required the City's Plan be restated by January 31, 2016 to comply with IRS regulations. As you know, in 2011 the Retirement System was moved from the Ordinance to separate Plan documents. When this was done, the Ordinance was amended to make the language regarding the Retirement System obsolete. The documents from 2011 are attached for your reference.

Over the past several months and in preparation for the IRS deadline of January 31, 2016, the Retirement Board conducted a thorough review of the Ordinance and Retirement Plan documents. This was done to ensure consistency, avoid and remove duplicity, update the Plans to include several amendments that were adopted as a result of bargaining unit changes, and update language required by the IRS. The Board conducted this review with the assistance of Retirement Board attorney Frank Berrodin and City of Wyoming finance and human resource department staff. I have summarized the changes below and have also provided you with a memorandum from Mr. Berrodin that provides detailed information about this project.

- The Ordinance is being updated to remove the sections that were made obsolete in 2011 but still remained in the Ordinance. To avoid future confusion and inappropriate references, these sections will be completely removed but will still be retained by the City Clerk's Office for future reference if needed.

- The Retirement Plan documents have been updated to incorporate amendments that have been adopted since the Plans were restated in 2011. The update to the Plans does not change any bargaining agreements or retirement benefits, but rather aligns the Plan documents with existing bargaining agreements and current administrative practices.

- The Retirement Plan documents have been updated to comply with IRS regulations.

This project also included the Board working with Mr. Berrodin to draft Retirement Board By-Laws, a Board Ethics Policy, and a Board Professional Training and Education Policy.

The timeline for the next steps and completion of this project are as follows:

December 21, 2015	First reading of the Ordinance at the City Council meeting
January 11, 2016	Presentation and review of this project at the City Council work session
January 18, 2016	Second reading of the Ordinance at the City Council meeting
January 18, 2016	Resolutions for restatement of the Defined Benefit and Defined Contribution Plans and for the Retirement Board By-Laws

I appreciate the opportunity to update you on this project. If you have any questions regarding any of the topics addressed in this correspondence, please do not hesitate to contact me. You may also attend one of the Retirement Board Meetings, which are scheduled for the third Monday of each month at 3:00 p.m.

Attachments:
- Memorandum from Retirement Board Attorney, Frank Berrodin
- Ordinance
- Resolution for Restatement of Plans
- Defined Benefit Plan
- Blackline Copy of the Defined Benefit Plan
- Defined Contribution Plan
- Blackline Copy of the Defined Contribution Plan
- By-Laws and Resolution
- Ethics Policy
- Professional Training and Education Policy
- 2011 Historical Documents

MILLER JOHNSON
Attorneys and Counselors

Calder Plaza Building
250 Monroe Avenue NW
Suite 800
P.O. Box 306
Grand Rapids, MI 49501-0306

616.831.1700
616.831.1701 fax
www.millerjohnson.com

MEMORANDUM

TO	City of Wyoming City Council	**CLIENT**	City of Wyoming
FROM	Frank E. Berrodin	**DATE**	December 2, 2015
SUBJECT	Changes to City of Wyoming Retirement System		

Beginning in 2006, all retirement plans that are intended to be qualified under Internal Revenue Code Section 401(a) are required to be amended and restated to comply with changes in tax laws every five years. The deadline for restating the plan during each five year period depends on the taxpayer identification number of the plan sponsor. Each plan sponsor is treated as being in Cycle A, B, C, D or E, which determines the year during which the plans it sponsors must be restated. Governmental employers, however, are all treated as being in Cycle C. But governmental employers were given the option of being treated as if they were in Cycle E for the first two five year cycles ending January 31, 2011 and January 31, 2016. Since the City's Plans were not restated by the January 31, 2014 deadline for Cycle C plans, the Plans must be restated no later than the January 31, 2016 deadline for Cycle E plans. The next time the Plans will need to be restated will be January 31, 2019 (the end of Cycle C for the third cycle) and every five years thereafter.

In connection with restating the Plans to comply with changes in law, a comprehensive review of the Plans and related documents was undertaken by a committee consisting of two Board Members, the City's Deputy Finance Director and Accountant and the City's Human Resources Director in order to be certain that the Plans were actually being administered in accordance with their terms. Consequently, a number of additional changes were made to the Plans and related documents beyond those that are necessary to keep the Plans in compliance with the Internal Revenue Code. The remainder of this memo will explain the changes.

Defined Benefit Plan

1. Section 2.3 of the Plan, which contains the definition of "actuarial equivalent," was amended to remove language regarding the applicable interest rate and applicable mortality tables that were added by the Pension Protection Act of 2006, since these requirements do not apply to governmental plans. Additional language was added indicating how the actuarial assumptions may be changed and the required documentation of any changes.

2. Section 2.7 of the Plan, which contains a definition of “basic provisions,” was amended to add language to reflect the passage of right to work in Michigan, which may result in an employee being a member of a bargaining unit represented by a union, but not a union member who is required to pay dues.

3. Section 2.16, which contains the definition of “compensation” under the Plan, was revised to include annual payments for dual trained employees (i.e., fire and police) and to include compensation that a participant may elect to defer under the Code Section 457(b) Plan of the City as well as any differential wage payments the City makes to employees while they are performing qualified military service. The definition was also modified to clarify that pay for performance bonuses and cleaning, clothing, and food allowances are not included in an employee’s compensation under the Plan.

4. A new Section 2.22 was added defining “differential wage payment” to comply with the Uniformed Services Employment and Reemployment Rights Act ("USERRA”).

5. Section 2.28, which contains the definition of “hours of service,” was revised to indicate how an employee for whom the City does not track actual hours worked will have his or her hours determined for purposes of the Plan.

6. A new Section 2.35 was added to define the term “plan administrator” and reflect that the Board of Trustees is the plan administrator.

7. Section 2.37, which contains the definition of qualified military service, was revised to simply reference USERRA, in order to eliminate the need to have to amend this section every time Congress changes the definition of qualified military service.

8. Section 2.44 was simply moved to Section 2.48 so that it would be in alphabetical order.

9. Section 2.46, which contains the definition of “union,” was revised to reflect the appropriate language as a result of the passage of right to work in Michigan.

10. Sections 3.1 and 3.2 were revised to reflect that no new employees will become eligible for the Plan after September 4, 2007.

11. Section 3.4 was revised to reflect that participants who elect to transfer their accrued benefit to the Defined Contribution Plan are no longer considered Participants in the Defined Benefit Plan and participants who elect to participate in the Defined Contribution Plan, but not transfer their benefits to the Defined Contribution Plan, remain participants in the Defined Benefit Plan even though their benefit is frozen.

12. Section 4.1(b) was revised to reflect that the Board of Trustees has been determining participants’ years of credited service based on whether the participant completes 1,000 hours of service in a calendar year. This Section has also been amended to reflect that the Board has not been crediting participants with partial years of credited service for less than 1,000 hours in a year.

13. Section 4.1(c) has been revised to reflect that the City has adopted the Reciprocal Retirement Act and to clarify that a participant may be credited with additional years of credited service for vesting purposes for service with another municipality either before or after his or her service with the City.

14. Section 5.5 has been revised to indicate that retroactive payments are only made to participants whose benefit does not begin timely due to the fault of the City. If the delay in payments is caused by the participant, the participant is only entitled to receive an actuarially increased benefit, but not retroactive payments.

15. Section 7.2, regarding the amount of a temporary disability benefits, has been revised to clarify that the participant will receive his or her normal retirement benefit unreduced for commencement prior to his or her normal retirement date.

16. Section 7.5, which describes the form of benefit for temporary disability benefits, has been revised to reflect that certain unions have negotiated for a different form of payment of temporary disability benefits.

17. Article 8 has been reworked to try to clarify the distinctions between the spousal death benefit and non-spouse death benefit and to provide further guidance regarding determining who is the beneficiary of a non-spouse death benefit when the participant fails to designate a beneficiary or the beneficiary designated by the participant predeceases the participant. This Article has also been revised to attempt to clarify and simplify provisions.

18. The second paragraph of Section 10.1 has been deleted, since it is not applicable to governmental employers.

19. Section 10.1(d) and (e) have been revised to allow a participant who is divorced to also elect to pop-up his joint and survivor annuity benefit in the event the participant is divorced, and a domestic relations order provides that the spouse waives all rights to the participant's pension. These sections have also been revised to make it clear that no benefit will be paid to a spouse of a participant who remarries after the annuity starting date.

20. Section 10.4(d) has been revised to reflect that a non-spouse beneficiary is also permitted to rollover his or her lump sum distribution in accordance with changes made to Internal Revenue Code Section 402(c).

21. Section 10.6 has been added to the Plan to be consistent with the language included in the Defined Contribution Plan with respect to lost participants and to specify when a participant's accrued benefit may be forfeited if the participant cannot be located.

22. Section 14.2 has been revised to indicate that if a trustee changes benefit groups during his or her term, the trustee will serve out his or her term until the next scheduled election for a trustee of the trustee's prior benefit group.

23. Section 14.3 has been revised to reflect that the Human Resource Director shall serve as the Secretary of the Board.

24. Section 15.2 has been revised to reduce the funding amortization period from 40 years to 30 years as required by an amendment to Section 38.1141 of the Michigan Public Employee Retirement System Investment Act.

25. Section 16.1 has been revised to reduce the hours of service the employee may work and continue to receive his or her pension to 1,000 from 1,200, which is what the City has historically used for purposes of determining whether a participant earns a year of credited service under the Plan.

26. Section 19.2(a) was revised to delete some language that no longer applies since participants who entered the DROP before September 1, 2008 are no longer participants in the DROP.

27. Section 19.4(b) regarding the DROP entry date has been revised to reflect the way the Plan has actually been administered.

28. Section 19.5(b) has been revised to clarify that the initial DROP interest crediting rate was 4%, but the rate is adjusted annually to reflect current interest rates.

29. Changes have been made to several of the benefit schedules to reflect provisions that no longer apply.

Defined Contribution Plan

1. Section 2.2, which contains the definition of "anniversary year," was added to clarify the period during which participants' vested service is determined.

2. Section 2.4, which contains the definition of "beneficiary," was amended to be consistent with the language of the Defined Benefit Plan and clarify the provisions that apply in the event a participant dies with no spouse and without designating a beneficiary.

3. Section 2.6, which contains the definition of "benefit group," was revised to reflect right to work in Michigan.

4. Section 2.8, which contains the definition of "break in service," was revised to reflect that breaks in service are determined using the anniversary year as opposed to the plan year.

5. Section 2.13, which contains the definition of "compensation," was revised to include annual payments for dual trained employees and contributions participants make to the Code Section 457(b) Plan maintained by the City and any differential wage payments made to participants while they are on qualified military leave. This section has also been revised to exclude pay-for-performance bonuses and cleaning, clothing and food allowances.

6. Section 2.19, which contains the definition of "differential wage payment," was added to reflect amendments to USERRA.

7. Section 2.20, which contains the definition of "direct rollover," was revised to reflect the change made by Treasury Regulations under Code Section 402(c)(11) as amended by the Pension Protection Act of 2006 reflecting that non-spouse beneficiaries may only rollover a participant's account to an IRA or Roth IRA and not another qualified plan.

8. Section 2.21, which contains the definition of the term "distributee," has been revised to include non-spouse beneficiaries in accordance with the Treasury Regulations referenced above.

9. Section 2.20, which previously contained the definition of "eligible domestic relations order," has been deleted because the Michigan EDRO Act does not allow for payments to be made to former spouses in a lump sum payment and lump sum payments are the only available distribution options under the Plan. Consequently, the Plan has also been amended by adding a definition of "qualified domestic relations order" to section 2.36, which can permit former spouses to receive distributions in lump sum payments.

10. Section 2.22, which contains the definition of "eligible retirement plan," has been revised to make the language more understandable and reflect that certain terms have been defined within the Plan.

11. Section 2.28, was added to comply with the HEART Act.

12. Section 2.29, which contains the definition of "hour of service," was amended to reflect how the Board determines the hours of service of individuals for whom hours are not tracked.

13. Section 2.37, which contains the definition of "qualified military service," has been revised to reference USERRA in order to prevent having to amend the definition every time Congress amends USERRA.

14. Section 2.47, which contains the definition of "union," has been amended to reflect right to work laws in Michigan.

15. Section 3.1 has been revised to clarify the individuals who have been actually excluded from participating in the Plan.

16. Section 3.2 of the Plan has been revised to reflect that eligible employees are treated as becoming participants in the Plan on their date of employment, even though they will not become vested in any contributions made for them unless they complete one year of service with the City.

17. Section 4.4 the Plan, which contains the limits on annual additions, has been revised to reflect revisions to Internal Revenue Code Section 415.

18. Section 5.2 has been amended to remove Plan provisions which no longer apply and to reflect the addition of a definition of anniversary year.

19. Section 7.1(b) was revised to reflect that the 60 day rule does not apply to governmental plans.

20. Section 7.1(c) was added to reflect that the 10% excise tax for early distributions will apply in certain circumstances, but that there is an exception for distributions made to public safety employees if they terminate employment after attaining age 50.

21. Section 7.4 (d) was removed because it was incorporated in other places in the restated Plan.

22. Section 7.8 has been revised to clarify the method of locating lost participants and determining when their account will be forfeited if the City is unable to locate them and to be consistent with the terms of the Defined Benefit Plan.

Board of Trustees Bylaws and Rules of Procedure

The City of Wyoming Retirement System Board of Trustees Bylaws and Rules of Procedure have been prepared to assist the Board Members in administering the Plan and understanding their duties under the Defined Benefit Plan and Defined Contribution Plan as well as the other plans the City maintains. While the Board members generally have a fiduciary duty to act in the best interest of Plan participants, their responsibilities are different under the Retirement Plans (including the 457(b) Plan), which are governed by the Public Employee Retirement System Investment Act, than they are under the Retiree Medical Trust and Post-Employment Health Plan. The Board of Trustees is also responsible for the administration of the Retirement Plans, but not the retiree medical coverage.

The Professional Training and Education Policy and the Ethics Policy are required to be maintained by the Board in accordance with the Public Employee Retirement System Investment Act. The Committee has attempted to tailor the policy to the City's actual operations.

City Ordinance

Finally, I have drafted a proposed Ordinance to amend the Code of the City of Wyoming to remove Sections 58-1 through 58-710, 59-1 through 59-8 and 59–20 through 59–28 because these provisions of the Ordinance are creating confusion. When the Plans were removed from the Ordinance effective July 1, 2011 and set forth in separate plan documents, the relevant sections of the Code were deemed obsolete but remained as part of Code. Since the new provisions of the Plan are not contained in the Code, anyone who looks at the Code may be under the false impression that those provisions of the Plan are still in effect. Consequently, we believe it is better to remove these old plan provisions in the Code completely and house them in the City Clerk's Office for historical reference purposes.

FEB:mak

ORDINANCE NO. _____

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF WYOMING

THE CITY OF WYOMING ORDAINS that the following sections of Chapters 58 and 59 of the Code of the City of Wyoming ("Code") be amended as follows in order to reflect the fact that stand-alone documentation has been adopted for the City's retirement system and retiree health benefits.

Section 1: Sections 58-1 through 58-710 of the Code are repealed and Section 58-1 is revised to read:

> Effective July 1, 2011, the terms of the plans shall be set forth in separate documents that are not part of the Code. Sections 58-1 through 58-710 shall be removed from the Code but shall remain on file in the City Clerk's office for historical reference purposes.

Section 2: Sections 59-1 through 59-8 of the Code are repealed and Section 59-1 is amended to read:

> Effective as of July 1, 2011, the terms of the trust fund and the terms and conditions for receiving retiree medical benefits shall be set forth in a separate document that is not part of the Code. Sections 59-1 through 59-8 shall be removed from the Code but shall remain on file in the City Clerk's office for historical reference purposes.

Section 3: Sections 59-20 through 59-28 of the Code are repealed and Section 59-20 is amended to read:

> Effective as of July 1, 2011, the terms of the PEHP shall be set forth in a separate document that is not part of the Code. Sections 59-20 through 59-28 shall be removed from the Code but shall remain on file in the City Clerk's office for historical reference purposes.

Section 4: This Ordinance shall be in full force and effect on the ___ day of _____, 2016.

01/18/16
Human Resources/KRO

RESOLUTION NO. _____

RESOLUTION TO ADOPT THE AMENDED AND
RESTATED RETIREMENT SYSTEM PLAN DOCUMENTS

WHEREAS:

1. The City of Wyoming established the Wyoming Retirement System effective as of October 1, 1962, as a Defined Benefit Plan.
2. Effective as of September 5, 2005, the City revised the Retirement System by adopting a Defined Contribution Plan.
3. The Defined Benefit Plan and Defined Contribution Plan (Plans) together comprise the Wyoming Retirement System.
4. As detailed in the attached correspondence from the Retirement System attorney, the Plans are intended to meet the requirements of Section 401(a) of the Internal Revenue Code, and restatement of the Plans is required to comply with changes in law.
5. In connection with restating the Plans to comply with changes in law, a comprehensive review of the Plans and related documents was completed.
6. The attached correspondence from the Retirement System attorney provides detailed information explaining the changes.
7. The Wyoming Retirement System Board of Trustees recommends the City Council adopt the attached amended and restated Defined Benefit Plan, and the attached amended and restated Defined Contribution Plan.

NOW, THEREFORE, BE IT RESOLVED:

1. The amended and restated Defined Benefit Plan and Defined Contribution Plan as attached are adopted.
2. The City Manager is authorized to sign the attached Defined Benefit Plan document and attached Defined Contribution Plan document on behalf of the City.
3. The City Manager is authorized to sign amendments to the Plans for legal compliance, to maintain the status of the Plans as qualified under the Internal Revenue Code, to incorporate negotiated changes to bargaining agreements that have been approved by City Council, and amendments that do not materially increase the cost of the benefits to the City.

Moved by Councilmember:
Seconded by Councilmember:
Motion Carried Yes
No

I hereby certify that the foregoing Resolution was adopted by the City Council for the City of Wyoming, Michigan at a regular session held on: January 18, 2016.

_____
Kelli A. VandenBerg, Wyoming City Clerk

ATTACHMENTS:
Correspondence from attorney Frank Berrodin
Defined Benefit Plan Document
Defined Contribution Plan Document

Resolution No. _____

CITY OF WYOMING

DEFINED BENEFIT PLAN

(Restated effective as of July 1, 2015)

Prepared by:
Miller Johnson
250 Monroe Avenue, N.W., Suite 800
P.O. Box 306
Grand Rapids, MI 49501-0306
(616) 831-1700

INDEX

Page

Article 1 Establishment of the Defined Benefit Plan 1

1.1 History of the Defined Benefit Plan 1
1.2 This Document 1
1.3 Organization of the Plan 1
1.4 Special Effective Dates 1
1.5 Effect on Prior Employees 2

Article 2 Definitions 2

Article 3 Participation 11

3.1 Eligible Employees 11
3.2 Date of Participation 12
3.3 Transfer Between Benefit Groups 12
3.4 Termination of Participation 12
3.5 Participation After Reemployment 12

Article 4 Service 13

4.1 Credited Service 13
4.2 Military Service 13
4.3 Recrediting of Service After Reemployment 14
4.4 Transferred Employees 14

Article 5 Normal Retirement Benefit 14

5.1 Eligibility for Benefit 14
5.2 Amount of Benefit 14
5.3 Commencement of Benefit 15
5.4 Form of Payment Used in Determining Amount of Benefit 15
5.5 Adjusted Amount for Late Payment 15
5.6 Form of Benefit 15

Article 6 Early Retirement Benefit 16

6.1 Eligibility for Benefit 16
6.2 Amount of Benefit 16
6.3 Commencement of Benefit 16
6.4 Form of Payment Used in Determining Amount of Benefit 16
6.5 Adjusted Amount for Late Payment 16
6.6 Form of Benefit 16

Article 7 Temporary Disability Benefit 17

7.1 Eligibility for Benefit 17
7.2 Amount of Benefit 17
7.3 Commencement of Benefit 17

Page

7.4 Form of Payment Used in Determining Amount of Benefit 18
7.5 Form of Benefit 18
7.6 Duty Disability - Special Rules 18
7.7 Continuation Subject to Reexamination and Return to Employment Rules 18

Article 8 Death Benefit 19

8.1 Spousal Death Benefit 19
8.2 Non-Spouse Death Benefit 19
8.3 Amount of Death Benefit 19
8.4 Commencement of Death Benefit 20
8.5 Form of Death Benefit 20
8.6 Duty Death - Special Rules 20
8.7 Non-Spouse Beneficiary 21
8.8 Rollover by Non-Spouse Beneficiary 22

Article 9 Deferred Vested Benefit 22

9.1 Eligibility for Benefit 22
9.2 Amount of Benefit 22
9.3 Commencement of Benefit 22
9.4 Form of Payment Used in Determining Amount of Benefit 22
9.5 Adjusted Amount for Late Payment 23
9.6 Form of Benefit 23

Article 10 Forms of Payment 23

10.1 Application for Pension Benefits 23
10.2 Automatic Form of Benefit Payment 23
10.3 Optional Forms of Benefit Payment 24
10.4 Eligible Rollover Distributions 25
10.5 Minimum Distribution Requirements 27
10.6 Lost Participants and Uncashed Benefit Checks 33

Article 11 Restrictions on Pensions 34

11.1 No Duplication of Benefits 34
11.2 Limit on Annual Benefits 34
11.3 Coordination with Workers' Disability Compensation Benefits 36

Article 12 Accumulated Employee Contributions 36

12.1 Accumulated Employee Contributions 36
12.2 Distribution 36
12.3 Termination of Pension; Residual Payment 37
12.4 Reserve 37

Page

Article 13 Compulsory Retirement 37

13.1 General Rule 37
13.2 Permitted Continuation 37

Article 14 Administration 38

14.1 Establishment of Board of Trustees 38
14.2 Term of Office; Vacancy 39
14.3 Officers and Administrative Services 39
14.4 Powers of Board of Trustees 40
14.5 Ability to Delegate Authority 41
14.6 Indemnification 41
14.7 Investment of Defined Benefit Plan Assets 41
14.8 Standard of Care 41
14.9 Employment of Agents by Board of Trustees 41
14.10 Appeal Procedure 42
14.11 Compensation 43

Article 15 Defined Benefit Plan Funding 43

15.1 Reserve for Retired Benefit Payments 43
15.2 Reserve for Employer Contributions 43
15.3 Reserve for Undistributed Investment Income 44
15.4 Allowance of Interest and Rates of Interest 44
15.5 Method of Making Payments 44
15.6 Assets not Segregated 44

Article 16 Rights of Participants 44

16.1 Right to Rehire Retirees 44
16.2 No Employment Rights 45
16.3 No Participant Interest in Defined Benefit Plan 45
16.4 Spendthrift Provision 45

Article 17 Defined Benefit Plan Amendment and Termination 46

17.1 Amendment 46
17.2 Termination 46
17.3 Partial Termination 46
17.4 Distribution Upon Termination 47
17.5 Method of Distribution 47
17.6 Reversion to Employer 47

Article 18 Miscellaneous Provisions 47

18.1 Correction of Errors 47
18.2 Subrogation 47
18.3 Age 47
18.4 Uniformity of Treatment 48

Page

18.5 Construction 48
18.6 Governing Law 48
18.7 Notice and Elections 48
18.8 Collective Bargaining Agreements 48

Article 19 Deferred Retirement Option Defined Benefit Plan ("DROP") 48

19.1 Definitions 48
19.2 Basic Concept of the DROP 49
19.3 Eligibility 49
19.4 Election to Participate in the DROP 50
19.5 Credits to a DROP Participant's DROP Account 50
19.6 Severance From Employment at Conclusion of DROP Period 50
19.7 Distribution of Benefits at Conclusion of DROP Period 51
19.8 Death Before Distribution of Benefits 51
19.9 Service-Connected Death or Disability of a DROP Participant 51
19.10 Re-Hire 51
19.11 Eligible Domestic Relations Order 51
19.12 Section 415 Limits 52
19.13 Regulations 52

Signature 52

Schedule A 53

Schedule B 58

Schedule C 62

Schedule D 66

Schedule E 70

Schedule F 72

Schedule G 76

CITY OF WYOMING

DEFINED BENEFIT PLAN

Article 1

Establishment of the Defined Benefit Plan

1.1 History of the Defined Benefit Plan

The City established the Retirement System effective as of October 1, 1962, for the purpose of providing retirement benefits to Employees eligible under the terms and conditions of the Retirement System. The Retirement System was a defined benefit pension plan. Effective as of September 5, 2005, the City revised the Retirement System by adopting a defined contribution plan. The Defined Benefit Plan and the Defined Contribution Plan together comprise the Retirement System.

1.2 This Document

By this document the City is amending and restating the Defined Benefit Plan effective July 1, 2015. The amended and restated Defined Benefit Plan is intended to meet the requirements of Sections 401(a) and 501(a) of the Code which are applicable to qualified retirement plans established by governmental employers.

1.3 Organization of the Plan

The Defined Benefit Plan applies to Employees in various Benefit Groups. The provisions of the Plan which apply to a specific Benefit Group are called a Sub-Plan.

The initial portion of the Plan, called the Basic Provisions, applies to all Participants. The Schedules, which are attached to the initial portion of the Plan, set forth the terms and conditions which apply to each Benefit Group. The specific Defined Benefit Plan provisions applicable to each Benefit Group are set forth in the applicable Schedule for that Benefit Group, except as otherwise provided in the applicable Collective Bargaining Agreement (in the case of a Participant who is a member of a Union) or in the applicable employment agreement (in the case of a Participant who is not a member of a Union). For each Benefit Group, the Sub-Plan consists of the Basic Provisions and the applicable Schedule.

1.4 Special Effective Dates

Although the amended and restated Defined Benefit Plan is generally effective as of July 1, 2015, certain provisions may have different effective dates in order to comply with federal laws and regulations. Each special effective date is stated in the Defined Benefit Plan provision to which it relates.

1.5 Effect on Prior Employees

A Participant who has a Severance from Employment before the effective date of the amended and restated Defined Benefit Plan (or the effective date of any specific provision having a special effective date) shall have his rights and benefits determined under the Defined Benefit Plan provisions in effect when his Severance from Employment occurred, except as specifically stated in the amended and restated Defined Benefit Plan.

Article 2

Definitions

The following words, terms and phrases, shall have the meanings ascribed to them in this Article, except where the context clearly indicates a different meaning. All references to specific Articles or Sections shall refer to Articles or Sections of the Defined Benefit Plan unless otherwise stated.

2.1 Accrued Benefits

"Accrued Benefit" means the pension benefit earned by a Participant as of a particular date. A Participant's Accrued Benefit shall be computed in the same manner as a Normal Retirement Benefit, based on the Participant's Years of Credited Service, Average Monthly Compensation, Benefit Group, and the benefit rates in effect as of the following date:

(a) If the Participant has had a Severance from Employment, the date specified in the Defined Benefit Plan for determining the Accrued Benefit, based on the type of benefit for which the Participant is eligible; or

(b) If the Participant remains employed by Employer, the date as of which the calculation is being made.

2.2 Accumulated Employee Contribution

"Accumulated Employee Contributions" means the sum of all amounts credited to a Participant's individual account in the reserve for Accumulated Employee Contributions.

2.3 Actuarially Equivalent or Actuarial Equivalent

"Actuarially Equivalent" or "Actuarial Equivalent" means equality in value of the aggregate amount of pension benefits to be received under different forms of payment. Actuarial Equivalent benefits shall be based upon the following:

Interest Rate	7.5% per year
Mortality	1971 group annuity mortality table set back zero years for men and five years for women.

Application of these assumptions to the computation of benefits payable under the Defined Benefit Plan shall be made in a uniform and consistent manner with respect to all Participants in similar circumstances. Actuarial assumptions may be changed by the Board of Trustees based on the recommendation of the Actuary. Any change to the actuarial assumptions will be reflected in an amendment to the Plan or minutes of a Board meeting.

2.4 Actuary

"Actuary" means the individual actuary or firm of actuaries selected by the Board of Trustees to provide actuarial services in connection with the administration of the Defined Benefit Plan. The individual actuary or a member of the actuarial firm shall be a member of the American Academy of Actuaries or shall have demonstrated an educational background necessary for the practice of actuarial science and have at least five years of relevant pension actuarial experience.

2.5 Annuity Starting Date

"Annuity Starting Date" means the first day or the first period for which an amount is to be paid as an annuity or other form under Article 10. It is the first day as of which an amount is to be paid, not the actual date of payment.

2.6 Average Monthly Compensation

"Average Monthly Compensation" means Compensation used in determining a Participant's or Vested Terminated Participant's Accrued Benefit. A Participant's or Vested Terminated Participant's Average Monthly Compensation is described in the Schedule that applies to his Benefit Group.

2.7 Basic Provisions

"Basic Provisions" are the provisions of the Defined Benefit Plan that apply to all Participants and Vested Terminated Participants. The Basic Provisions are the terms and conditions of the Defined Benefit Plan other than the Schedules.

2.8 Beneficiary

"Beneficiary" means the beneficiary designated by the Participant on a form provided by the Board of Trustees. Spousal consent is required if the Participant designates a Beneficiary in addition to, or other than, his Spouse.

2.9 Benefit Group

"Benefit Group" means the group of Employees designated for the purpose of determining benefit eligibility, benefit conditions, benefit amounts and contribution amounts applicable to a Participant. The Benefit Groups are as follows:

(a) **General Benefit Group** The General Benefit Group shall include all Participants who are members of the Wyoming City Employees Union.

(b) **Administrative and Supervisory Benefit Group** The Administrative and Supervisory Benefit Group shall include all Participants who are members of the Wyoming Administrative and Supervisory Employees Association.

(c) **Police Command Benefit Group** The Police Command Benefit Group shall include all Participants who are members of the Police Officers Labor Council Wyoming Command Division. A police chief or deputy police chief appointed after July 1, 2010, is also a member of this Benefit Group (and is not a member of the Administrative Contract Group) if he was a member of this Benefit Group immediately before being appointed to the position of police chief or deputy police chief.

(d) **Police Nonsupervisory Benefit Group** The Police Nonsupervisory Benefit Group shall include all Participants who are members of the Police Officers Labor Council Wyoming Division.

(e) **Police ECO Benefit Group** The Police ECO Benefit Group shall include all Participants who are members of the Wyoming Police Officers Labor Council Emergency Communications Operators Unit.

(f) **Fire Benefit Group** The Fire Benefit Group shall include all Participants who are members of the Wyoming Fire Fighters Association. A fire chief or deputy fire chief appointed after July 1, 2010, is also a member of this Benefit Group (and is not a member of the Administrative Contract Group) if he was a member of this Benefit Group immediately before being appointed to the position of fire chief or deputy fire chief.

(g) **Administrative Contract Benefit Group** The Administrative Contract Benefit Group shall include all non-Union Participants who are classified as full-time Employees and whose terms of employment with Employer are set forth in an individual employment contract, and whose job classification is not specifically included in another Benefit Group. (This also includes those individuals who were appointed police chief, deputy police chief, fire chief and deputy fire chief before July 1, 2010.)

For purposes of this definition, an Employee is considered to be a "member" of a Union if the Employee is included in the bargaining unit represented by that Union.

The specific Defined Benefit Plan provisions applicable to each Benefit Group are set forth in the applicable Schedule for that Benefit Group, except as otherwise provided in the applicable Collective Bargaining Agreement (in the case of a Participant who is a member of a

Union) or in the applicable employment agreement (in the case of a Participant who is not a member of a Union). Age and service conditions for benefit eligibility shall be those applicable to the Participant's Benefit Group at the time of his Severance from Employment.

2.10 Board of Trustees

"Board of Trustees" or "Board" means the governing body of the Retirement System which is described in Article 14.

2.11 Calendar Year

"Calendar Year" means the 12-consecutive month period beginning on January 1 and ending on the following December 31.

2.12 City

"City" means the City of Wyoming, Michigan.

2.13 City Code

"City Code" means the City of Wyoming Code of Ordinances of 1997, as amended.

2.14 Code

"Code" means the Internal Revenue Code of 1986, as amended, including any applicable regulations.

2.15 Collective Bargaining Agreement

"Collective Bargaining Agreement" means the currently effective collective bargaining agreement between Employer and a Union, provided retirement benefits were the subject of good faith bargaining.

2.16 Compensation

"Compensation" means base salary or wages, for regular hours worked including annual payments for dual trained Employees, longevity pay, awards, cost-of-living allowances, salary or wages while absent from work on account of illness (including workers' compensation), overtime pay, shift premiums, and salary or wages for vacation or holiday time taken or worked, Deemed Section 125 Compensation, pay reduction contributions to a qualified transportation fringe benefit plan under Section 132(f) of the Code or to an eligible deferred compensation plan under Section 457(b) of the Code and any Differential Wage Payments. For a Participant who is receiving workers' compensation benefits and a differential payment equal to the difference between his net salary or wage and workers' compensation benefits, "Compensation" also includes the workers' compensation benefit and the differential payment. Compensation shall not include any remuneration or reimbursement not specifically stated above, including, but not limited to, pay for performance bonuses, cleaning, clothing and food

allowances, payments made at the time of Severance from Employment for unused sick leave, accrued vacation time and other severance pay, and amounts received for opting-out of Employer-provided health insurance.

Compensation of each Participant in a Plan Year shall be limited to the maximum amount permitted by Section 401(a)(17) of the Code (the "dollar limit"). The dollar limit for the Plan Year that begins in 2015 is $265,000. The dollar limit shall be increased in accordance with Section 401(a)(17)(B) of the Code.

2.17 Date of Employment

"Date of Employment" means the date on which an Employee performs his first Hour of Service for Employer. However, see Section 3.5 for the Date of Employment of certain reemployed Employees.

2.18 Deemed Section 125 Compensation

"Deemed Section 125 Compensation" means a Participant's pre-tax contributions to a cafeteria plan under Section 125 of the Code in the following situation:

(a) The Participant is required to make pre-tax contributions towards the cost of health coverage made available by Employer; and

(b) The Participant is permitted to waive health coverage made available by Employer only if the Participant certifies that the Participant has other health coverage; and

(c) The Participant does not have other health coverage available and, as a result, is required to elect health coverage made available by Employer; and

(d) Employer does not request or collect information regarding the Participant's other health coverage during the health plan's enrollment process.

2.19 Deferred Vested Benefit

"Deferred Vested Benefit" means the retirement benefit provided to a Participant or Vested Terminated Participant who qualifies and elects to receive benefits under Article 9.

2.20 Defined Benefit Plan

"Defined Benefit Plan" means the City of Wyoming Defined Benefit Plan, as described in this document.

2.21 Defined Contribution Plan

"Defined Contribution Plan" means the City of Wyoming Defined Contribution Plan.

2.22 Differential Wage Payment

"Differential Wage Payment" means a payment under Section 3401(h) of the Code that is paid to a Participant during any period when the Participant is performing Qualified Military Service while on active duty for more than 30 days.

2.23 Early Retirement Benefit

"Early Retirement Benefit" means the retirement benefit provided to a Participant who qualifies and elects to receive benefits under Article 6.

2.24 Early Retirement Date

"Early Retirement Date" means the first day after a Participant attains early retirement age under Article 6 and has a Severance from Employment.

2.25 Eligible Domestic Relations Order

"Eligible Domestic Relations Order" means an eligible domestic relations order under MCL 38.1701 et. seq. The attorney for the Board of Trustees shall determine whether a judicial order which requires payment of Defined Benefit Plan benefits to an alternate payee is an Eligible Domestic Relations Order.

2.26 Employee

"Employee" means any person who is on Employer's payroll and is treated by Employer for tax purposes as Employer's common law employee. Employee also means any Leased Employee of Employer deemed to be an Employee of Employer under Sections 414(n) or (o) of the Code.

2.27 Employer

"Employer" means the City, the 62A District Court and the Wyoming Housing Commission.

2.28 Hour of Service

"Hour of Service" means:

(a) Each hour for which an Employee is paid, or entitled to be paid, by Employer for the performance of duties for Employer during the applicable computation period.

(b) Each hour for which an Employee is directly or indirectly paid, or entitled to be paid, by Employer an amount equal to 100 percent of the Employee's regular Compensation, but for which no duties are performed (whether or not the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty or Employer-approved leave of absence.

(c) If an Employee has an authorized leave of absence or a Severance from Employment because of Qualified Military Service, the Employee shall be credited with Hours of Service for the hours the Employee would have been scheduled to work during the Period of Qualified Military Service, provided the Employee applies for, and resumes, employment with Employer within the time limits established by USERRA. An Employee shall receive credit for Hours of Service under this provision only to the extent required by USERRA (or any successor law).

An Employee for whom Employer does not maintain a record of the number of hours worked will be credited with the number of Hours of Service he is regularly scheduled to work for each day during which he would otherwise be credited with at least one Hour of Service.

Any Hours of Service for which an Employee is paid overtime shall be credited on the basis of the actual hours worked and not the hours paid. The payroll and other records of Employer shall be used to determine an Employee's Hours of Service.

2.29 <u>Leased Employee</u>

"Leased Employee" means any person who is not a common-law employee of Employer and who performs services for Employer under the following circumstances:

(a) The services are pursuant to an agreement between a leasing organization and Employer;

(b) The person performs the services for Employer on a substantially full-time basis for at least one year; and

(c) The services are performed under the primary direction and control of Employer.

A Leased Employee shall not be considered an Employee of Employer if:

(a) The Leased Employee is covered by a money purchase pension plan providing:

(1) A nonintegrated employer contribution equal to at least 10 percent of the Leased Employee's Compensation determined under Section 415 of the Code, plus any pay reduction contributions under Sections 125, 402(e)(3), 402(h)(1)(B) or 403(b) of the Code.

(2) Immediate participation; and

(3) Full and immediate vesting; and

(b) Leased Employees do not constitute more than 20 percent of Employer's "nonhighly compensated work force," as defined in Section 414(n)(5)(C)(ii) of the Code.

2.30 Normal Retirement Age

"Normal Retirement Age" means the age described in the Schedule that applies to the Participant's Benefit Group.

2.31 Normal Retirement Benefit

"Normal Retirement Benefit" means the retirement benefit provided to a Participant or Vested Terminated Participant who qualifies for and elects to receive benefits under Article 5.

2.32 Normal Retirement Date

"Normal Retirement Date" means the first day after a Participant attains Normal Retirement Age and has a Severance from Employment. But for a DROP Participant, "Normal Retirement Date" means the Participant's DROP Entry Date.

2.33 Participant

"Participant" means an Employee who has met the requirements for participation under Article 3 and who is or may become eligible to receive a benefit from the Defined Benefit Plan or whose Beneficiary may be eligible to receive a benefit from the Defined Benefit Plan.

2.34 Period of Qualified Military Service

"Period of Qualified Military Service" means the period of time an Employee is absent from employment where the absence is necessitated by the Employee's performance of Qualified Military Service.

2.35 Plan Administrator

"Plan Administrator" means the named fiduciary responsible for the operation and administration of the Defined Benefit Plan. The Board of Trustees shall be the Plan Administrator.

2.36 Plan Year

"Plan Year" means the 12-consecutive-month period beginning on July 1 and ending on the following June 30.

2.37 Qualified Military Service

"Qualified Military Service" means qualified military service under Section 414(u)(5) of the Code. An individual is performing Qualified Military Service only if the individual is entitled to reemployment rights under USERRA.

2.38 Qualified Plan

"Qualified Plan" means a retirement plan meeting the requirements of Sections 401(a) and 501(a) of the Code.

2.39 Retiree

"Retiree" means a former Employee who is receiving a pension benefit from the Defined Benefit Plan or an Employee who has ceased performing services for Employer who is receiving a disability benefit from the Defined Benefit Plan.

2.40 Retirement System

"Retirement System" means the Defined Benefit Plan and the Defined Contribution Plan.

2.41 Schedules

"Schedules" means the Schedules attached to, and incorporated into, the Defined Benefit Plan. Each Schedule sets forth the specific Defined Benefit Plan provisions that apply to a particular Benefit Group.

2.42 Severance from Employment

"Severance from Employment" means the individual has ceased to be an Employee of Employer. The personnel policies of the City shall be used in determining whether a Severance from Employment has occurred.

2.43 Spouse

"Spouse" means the person to whom a Participant is legally married on the day before his Annuity Starting Date or, if earlier, his death. A former Spouse shall be treated as a Spouse for purposes of the Defined Benefit Plan to the extent provided under an Eligible Domestic Relations Order.

2.44 Straight Life Annuity

"Straight Life Annuity" means the annuity form of benefit payment described in Section 10.3(a).

2.45 Temporary Disability Benefit

"Temporary Disability Benefit" means the disability benefit provided to a Participant or Vested Terminated Participant who qualifies and elects to receive benefits under Article 7.

2.46 Unions

"Unions" mean the Unions whose members are eligible to participate in the Defined Benefit Plan. These Unions are as follows:

(a) Wyoming City Employees Union.

(b) Wyoming Administrative and Supervisory Employees Association.

(c) Police Officers Labor Council Wyoming Command Division.

(d) Police Officers Labor Council Wyoming Division.

(e) Police Officers Labor Council Emergency Communications Operators Unit.

(f) Wyoming Fire Fighters Association.

For purposes of this definition, an Employee is considered to be a "member" of a Union if the Employee is included in the bargaining unit represented by that Union.

2.47 USERRA

"USERRA" means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

2.48 Vested Terminated Participant

"Vested Terminated Participant" means a former Employee who has met the requirements for participation under Article 3, and who is eligible to receive a benefit from the Defined Benefit Plan or whose Beneficiary may be eligible to receive a benefit from the Defined Benefit Plan, other than the return of his Accumulated Employee Contributions, plus interest.

2.49 Year of Credited Service

"Year of Credited Service" means a year of service used in determining the amount of a Participant's Accrued Benefit and whether the Participant is vested in the Defined Benefit Plan. A Participant's Years of Credited Service shall be determined in the manner described in Article 4.

Article 3

Participation

3.1 Eligible Employees

No Employee shall become eligible for the Plan after September 4, 2007 (or an earlier date as set forth in the applicable Schedule for that Benefit Group).

A Participant who is on a leave of absence for Qualified Military Service described in Section 4.2 or another leave of absence approved by Employer shall continue to participate in the Defined Benefit Plan.

3.2 Date of Participation

(a) Before September 4, 2007 For the period before September 4, 2007 (or an earlier date as set forth in the applicable Schedule for that Benefit Group), each Employee who was eligible under Section 3.1 became a Participant on the later of the Employee's Date of Employment or the date the Employee became eligible under Section 3.1.

(b) After September 4, 2007 No Employee shall become a Participant after September 4, 2007 because participation in the Plan was "closed to new entrants" as of September 4, 2007 (or an earlier date as set forth in the applicable Schedule for that Benefit Group). The last entry date for the Plan was September 4, 2007.

3.3 Transfer Between Benefit Groups

A Participant who transfers from one Benefit Group to another Benefit Group shall continue to participate in the Defined Benefit Plan regardless of whether he would be eligible to participate in the Defined Benefit Plan in the new Benefit Group.

3.4 Termination of Participation

A Participant who elects to transfer his or her Accrued Benefit to the Defined Contribution Plan in accordance with the applicable Schedule for the Employee's Benefit Group will no longer be a Participant as of the date of transfer. A Participant who elects to participate in the Defined Contribution Plan in accordance with the applicable Schedule for the Employee's Benefit Group, but does not elect to transfer his or her Accrued Benefit to the Defined Contribution Plan, will remain a Participant in the Plan, but will not earn any additional benefits under the Plan. Except to the extent otherwise required by applicable law, if a Participant ceases to be eligible before becoming vested in any benefits under the Defined Benefit Plan, his participation shall cease as of the date he ceases to be eligible. The individual shall be deemed to have received a distribution of his benefits from the Defined Benefit Plan.

3.5 Participation After Reemployment

An Employee who has a Severance from Employment after becoming a Participant shall again be a Participant immediately upon being rehired by Employer, provided the Employee is eligible under Section 3.1 and the Schedule that applies to the Employee's Benefit Group and the Employee has a Deferred Vested Benefit under the Defined Benefit Plan as of his re-employment date. An Employee who does not have a Deferred Vested Benefit under the Defined Benefit Plan as of his re-employment date shall be ineligible to participate in the Defined Benefit Plan.

Article 4

Service

4.1 Credited Service

Years of service used in calculating the amount of a Participant's Accrued Benefit under the Defined Benefit Plan and whether the Accrued Benefit is vested are called Years of Credited Service.

(a) **General Rule** Subject to the other provisions of this Section, all years of employment with Employer in job classifications that are eligible for participation in the Defined Benefit Plan shall be counted in determining a Participant's Years of Credited Service.

(b) **Rules of Calculation** A Participant will receive credit for Years of Credited Service for each Calendar Year in which the Participant has at least 1,000 Hours of Service.

(c) **Reciprocal Service** A Participant may be credited with additional Years of Credited Service for service with another governmental entity as provided in the Reciprocal Retirement Act of 1961, as amended (MCL § 38.1101, et. seq.).

4.2 Military Service

An individual who leaves employment with Employer to enter any armed service of the United States shall receive Years of Credited Service for the periods of military service subject to the following conditions:

(a) The Participant must return to active employment with Employer within 90 days from and after the date of termination of military service or within any longer period during which the Participant's reemployment rights may be protected by law following termination of military service.

(b) The Participant must repay the total amount of any Accumulated Employee Contributions distributed to him from the Defined Benefit Plan, plus interest (compounded annually). The interest rate for each Plan Year between the distribution date and the repayment date shall be 120 percent of the federal mid-term rate under Section 1274 of the Code on the first day of the Plan Year. These amounts must be repaid during the repayment period established by the Board of Trustees. For repayments protected by USERRA, this period shall not be shorter than the repayment period provided under USERRA. The USERRA repayment period begins on the date the Participant is reemployed by Employer and lasts until the earlier of:

(1) The fifth anniversary of the Participant's reemployment; or

(2) The date on which the repayment period is three times as long as the Participant's Period of Qualified Military Service.

(c) No Years of Credited Service shall be credited on account of periods of military service which shall be used for obtaining or increasing a benefit under another retirement system, except as required by applicable law.

(d) Notwithstanding any provision of the Defined Benefit Plan to the contrary, contributions, benefits and service credit with respect to Qualified Military Service shall be provided in accordance with Section 414(u) of the Code and USERRA.

4.3 Recrediting of Service After Reemployment

A Participant's service is recredited after reemployment as follows:

(a) **General Rule** If a Participant has a Severance from Employment and is subsequently reemployed by Employer, his prior Years of Credited Service shall be restored if the Participant had vested benefits prior to his Severance from Employment, or, if he did not have vested benefits, the break in employment with Employer is less than four years.

(b) **Special Rule Where a Participant Received a Distribution of Accumulated Employee Contributions** If a Participant receives a distribution of Accumulated Employee Contributions from the Defined Benefit Plan and is subsequently rehired by Employer and is eligible to participate in the Defined Benefit Plan, his Years of Credited Service earned due to employment either before July 3, 1978, or during the time period in which the Participant was a member of a Benefit Group in which Employee contributions are required under Article 12, shall be disregarded in determining his Accrued Benefit after reemployment.

4.4 Transferred Employees

A Participant who is actively employed by Employer who transfers to a job classification that makes him ineligible for further participation in the Defined Benefit Plan shall retain his rights to a benefit under the Defined Benefit Plan (to the extent vested). His Years of Credited Service shall only be based upon service in an eligible job classification.

Article 5

Normal Retirement Benefit

5.1 Eligibility for Benefit

A Participant who is actively employed by Employer shall have a nonforfeitable right to a Normal Retirement Benefit upon attaining Normal Retirement Age. Accordingly, a Participant who has a Severance from Employment on or after attaining Normal Retirement Age shall be eligible to receive a Normal Retirement Benefit.

5.2 Amount of Benefit

The amount of benefit shall be determined as follows:

(a) **General Rule** The monthly pension benefit payable for life to a Participant who has had a Severance from Employment after becoming eligible for a Normal Retirement Benefit shall equal the Participant's Years of Credited Service multiplied by the benefit formula applicable to the Participant's Benefit Group on the date the Participant's Severance from Employment occurs. The amount shall be determined as if the Participant's total Years of Credited Service were under that Benefit Group.

(b) **Benefit Formula** The benefit formula for determining the amount of a Participant's monthly pension benefit for each Benefit Group shall be set forth in the applicable Schedule for that Benefit Group.

(c) **Annual Pension Adjustment** Annual pension adjustments, if any, for Participants in a Benefit Group shall be made as set forth in the applicable Schedule for that Benefit Group.

5.3 Commencement of Benefit

A Normal Retirement Benefit shall be payable to a Participant after the Participant's Severance from Employment if the Participant is eligible for, and has applied for, a Normal Retirement Benefit. Benefits shall be paid no later than the last working day of each month until the death of the Participant. Benefits after the Participant's death, if any, depend on the form of benefit payment elected by the Participant.

5.4 Form of Payment Used in Determining Amount of Benefit

The amount of benefit determined under this Article is based on payment in the form of a Straight Life Annuity. If actual payment is in a different form, the amount of the actual benefit shall be adjusted to be the Actuarial Equivalent of a Straight Life Annuity.

5.5 Adjusted Amount for Late Payment

The amount of a Participant's benefits under this Article is based upon payment beginning on the first day of the month after the Participant's actual retirement date. If payment begins later than this date and the delay is caused by the Participant, the amount of the Participant's benefit shall be the Actuarial Equivalent of the Participant's Accrued Benefit on the first day of the month after the Participant's actual retirement date. Payment is not made retroactive to the Participant's actual retirement date unless any delay in making payments is not caused by the Participant.

5.6 Form of Benefit

A Normal Retirement Benefit shall be payable in the form determined under Article 10.

Article 6

Early Retirement Benefit

6.1 Eligibility for Benefit

To the extent provided in the Schedule that applies to the Participant's Benefit Group, a Participant shall have a nonforfeitable right to an Early Retirement Benefit if his Severance from Employment occurs after attaining early retirement age, but before attaining Normal Retirement Age. The definition of early retirement age for each Benefit Group eligible for an Early Retirement Benefit shall be set forth in the applicable Schedule for that Benefit Group.

6.2 Amount of Benefit

The monthly pension benefit payable to a Participant who is entitled to an Early Retirement Benefit shall be an amount equal to his Accrued Benefit determined as of his Early Retirement Date reduced for each month his pension starts before his Normal Retirement Age, to the extent the applicable Schedule for the Participant's Benefit Group provides for a reduction for payment before Normal Retirement Age.

6.3 Commencement of Benefit

An Early Retirement Benefit shall be payable to a Participant after the Participant's Severance from Employment if the Participant is eligible for, and has applied for, an Early Retirement Benefit. Benefits shall be paid no later than the last working day of each month until the Participant's death. Benefits after the Participant's death, if any, depend on the form of benefits elected by the Participant.

6.4 Form of Payment Used in Determining Amount of Benefit

The amount of benefit determined under this Article is based on payment in the form of a Straight Life Annuity. If actual payment is in a different form, the amount of the actual benefit shall be adjusted to be the Actuarial Equivalent of a Straight Life Annuity.

6.5 Adjusted Amount for Late Payment

The amount of a Participant's benefits under this Article is based upon payment beginning on or before the Participant's Normal Retirement Date. If payment begins after the Participant's Normal Retirement Date, the amount of the Participant's benefit shall be the Actuarial Equivalent of the Participant's Accrued Benefit as of the Participant's Normal Retirement Date. Payment is not made retroactive to the Participant's Normal Retirement Date.

6.6 Form of Benefit

An Early Retirement Benefit shall be payable in the form determined under Article 10.

Article 7

Temporary Disability Benefit

7.1 Eligibility for Benefit

A Participant who has the minimum number of Years of Credited Service for his Benefit Group, as set forth in the applicable Schedule for his Benefit Group, shall be eligible for a Temporary Disability Benefit if he becomes incapacitated for continued employment with Employer as a result of a total disability. "Total disability" or "totally disabled" means the Participant is totally incapacitated for continued employment with Employer as a result of a physical or mental condition of the Participant. The Participant must be totally disabled prior to the date of his Severance from Employment in order to be eligible for a Temporary Disability Benefit.

The existence of total disability shall be determined by the Board of Trustees. In making its determination, the Board of Trustees shall consider the reports of physician(s) and/or other health care provider(s) which are supplied by the Participant and any other facts the Board of Trustees deems relevant. Further, the Board of Trustees may require the Participant to be examined by physician(s) and/or other health care provider(s) selected by the Board of Trustees in order to make its determination. Any examinations ordered by the Board of Trustees shall be paid for by the Defined Benefit Plan and shall not be the financial responsibility of the Participant.

If the Board of Trustees determines that a Participant is totally disabled and eligible for a Temporary Disability Benefit, the Board of Trustees may periodically review its determination to confirm that the Participant continues to be totally disabled and eligible for a Temporary Disability Benefit.

7.2 Amount of Benefit

The monthly pension benefit payable to a Participant who is entitled to a Temporary Disability Benefit shall be an amount equal to the Participant's Accrued Benefit as of the date approved by the Board of Trustees, unreduced for payment before the Participant's Normal Retirement Date.

7.3 Commencement of Benefit

A Temporary Disability Benefit shall be payable to a Participant after the Participant last performed services for Employer if the Participant is eligible for, has applied and been approved for, a Temporary Disability Benefit.

Benefits shall be paid no later than the last working day of each month until the Participant's death or the date the Participant attains the minimum age requirement to be eligible for a Normal Retirement Benefit, whichever is earlier. Upon attaining the minimum age requirement to be eligible for a Normal Retirement Benefit, the Participant shall receive a Normal Retirement Benefit in an amount equal to the Participant's Accrued Benefit as of the date approved by the Board of Trustees.

7.4 Form of Payment Used in Determining Amount of Benefit

The amount of benefit determined under this Article is based on payment in the form of a Straight Life Annuity.

7.5 Form of Benefit

A Temporary Disability Benefit shall be payable in the form determined under Article 10. Except to the extent provided otherwise in the applicable Schedule for the Participant's Benefit Group, the form elected shall continue when the Participant's Temporary Disability Benefit becomes a Normal Retirement Benefit as described in Section 7.3 of this Article.

7.6 Duty Disability - Special Rules

In the event the Participant's total disability results in the payment of benefits, other than medical expense benefits, under the workers' compensation laws of the state of Michigan, the following special rules shall apply:

(a) The minimum number of Years of Credited Service requirement described in Section 7.1 shall be waived.

(b) If the Participant had less than the minimum number of Years of Credited Service requirement described in Section 7.1, the amount of the Participant's monthly pension benefit shall be calculated as if the Participant had completed exactly the minimum number of Years of Credited Service requirement.

The applicable Schedule for a Benefit Group may contain additional special rules that apply in a duty disability situation.

7.7 Continuation Subject to Reexamination and Return to Employment Rules

As part of or in addition to the Board of Trustees' periodic review of total disability described in Section 7.1, the Board of Trustees may periodically require a Participant to undergo an examination by physician(s) and/or other health care provider(s) selected by the Board of Trustees to determine if the Participant continues to be totally disabled and eligible for a Temporary Disability Benefit. If the Participant refuses to submit to an examination, payment of benefits may be suspended by the Board of Trustees until the Participant submits to the examination. If the Participant's refusal continues for one year, all of the Participant's rights in and to a Temporary Disability Benefit may be revoked by the Board of Trustees.

The Participant's Temporary Disability Benefit shall be discontinued, if, following the examination, the physician(s) and/or other health care provider(s) certify that the Participant is sufficiently recovered so that the Participant no longer has a total disability and the Board of Trustees concurs in the certification. Employer shall be allowed reasonable latitude, to the extent permitted by applicable law, in placing the Participant in a position commensurate with the position held by the Participant at the time he became totally disabled.

A Participant who has been restored to employment with Employer shall again become a Participant in the Defined Benefit Plan, if eligible under Section 3.1. The Participant's Years of Credited Service at the time he became totally disabled shall be restored. However, service shall not be credited for the period the Participant was being paid a Temporary Disability Benefit.

A Participant who is certified to have sufficiently recovered as described above, who does not return to employment and who had completed the minimum number of Years of Credited Service requirement to be eligible for a Deferred Vested Benefit at the time he became totally disabled shall be entitled to a Deferred Vested Benefit in accordance with Article 9.

Article 8

Death Benefit

8.1 Spousal Death Benefit

The Spouse of a Participant shall be eligible to receive a death benefit if the Participant dies after satisfying the following requirements, but before receiving any benefits from the Defined Benefit Plan:

(a) The Participant was married to the Spouse at the time of death;

(b) The Participant did not complete a Beneficiary designation form and submit it to Employer pursuant to Section 8.2; and

(c) The Participant died after satisfying the service requirement for his Benefit Group as set forth in the applicable Schedule.

8.2 Non-Spouse Death Benefit

A Beneficiary of a married or unmarried Participant who has satisfied the service requirement described in Section 8.1(c) shall be eligible for a non-Spouse death benefit pursuant to this Section. In order for a married Participant to elect a non-Spouse death benefit pursuant to this Section, the Participant's Spouse must consent in writing to the Participant's election of the non-Spouse death benefit and the Participant's naming of another Beneficiary. The Spouse's consent must be witnessed by a notary public. The Beneficiary shall be designated by the Participant on a form provided by the Board of Trustees. The Participant may change the Beneficiary designation at any time by completing and filing a new form with the City's Finance Department.

8.3 Amount of Death Benefit

If the Participant dies while employed by Employer or while on a leave of absence from Employer to perform Qualified Military Service, the amount of the monthly benefit payable to a Spouse or Beneficiary who is entitled to a death benefit under Section 8.1 or 8.2 will be the amount the Spouse or Beneficiary would have been entitled to receive as a joint and 100%

survivor annuity if the Participant had retired on the day immediately preceding his death even if the Participant had not attained the age necessary for a Normal Retirement Benefit to begin.

If a Vested Terminated Participant dies before receiving any benefits from the Defined Benefit Plan, the monthly benefit payable to a Spouse or Beneficiary who is entitled to a death benefit will be the amount the Spouse or Beneficiary would be entitled to receive as a survivor benefit if the Participant survived to the date he would have been eligible to begin receiving his Deferred Vested Benefit but did not earn any additional benefit, elected to receive his distribution in the form of a joint and 100% survivor annuity commencing on the later of his date of death or his Normal Retirement Age and died the following day.

8.4 Commencement of Death Benefit

The monthly death benefit will be payable to a Spouse or Beneficiary who is eligible for, and has applied for, the death benefit. Benefits will be payable no later than the last working day of the month following the death of the Participant, and will be payable no later than the last working day of each subsequent month until the death of the Spouse. However, if the Participant dies after his Severance from Employment, no monthly benefits will be paid before the first day of the month after the Participant would have attained his Normal Retirement Age.

8.5 Form of Death Benefit

The Spouse death benefit shall be payable in the form of a joint and 100% survivor annuity based on the life of the Participant and the Spouse. The non-Spouse death benefit shall be payable in the form of the ten-year period certain and life annuity based on the life of the Participant or the joint and 100% survivor annuity over the lives of the Participant and Beneficiary. If the form of payment is the joint and 100% survivor annuity, the Beneficiary must be dependent upon the Participant for at least 50 percent of the Beneficiary's financial support.

8.6 Duty Death - Special Rules

In the event the Board of Trustees determines that the Participant's death is the natural and proximate result, independent of all other causes, of an injury or illness arising out of and in the course of the Participant's actual performance of duties with Employer, the following special rules apply:

(a) The minimum number of Years of Credited Service requirement described in Section 8.1(c) shall be waived.

(b) The amount of the Spouse's death benefit shall be computed in accordance with Section 8.1, and an additional amount shall be added, if necessary, to provide a minimum death benefit of 25 percent of the Participant's Average Monthly Compensation.

(c) Any additional amount of death benefit paid to a Spouse pursuant to Section 8.6(b) shall terminate upon the remarriage of the Spouse.

(d) During periods that a death benefit is not being paid to a Spouse, the surviving children of the Participant who are under age 18 shall be paid a death benefit calculated in accordance with Section 8.6(b). If there is more than one surviving child, the death benefit shall be distributed to the children in equal shares. The death benefit shall terminate upon the earlier of the child's attainment of age 18, marriage, adoption or death.

8.7 <u>Non-Spouse Beneficiary</u>

The Participant may designate a trust as Beneficiary. The Board of Trustees shall determine the rights of any trustee designated as a Beneficiary without responsibility for determining the validity, existence or provisions of that trust, and shall not have responsibility for the application of sums paid to that trustee or for the discharge of the trust.

The rules of this paragraph apply unless provided otherwise in a Participant's Beneficiary designation form. If a Participant designates one primary Beneficiary and the Beneficiary dies after the Participant but before benefit payments are completed, any remaining benefits will be payable to the secondary Beneficiary. If a Participant fails to designate a secondary Beneficiary or if no secondary Beneficiary survives the primary Beneficiary, any remaining benefits will be payable to the deceased primary Beneficiary's heirs in the manner described in the next paragraph. If a Participant designates more than one primary Beneficiary or more than one secondary Beneficiary and a Beneficiary dies before benefit payments are completed, the share payable to the deceased Beneficiary must be paid to the deceased Beneficiary's heirs in the manner described in the next paragraph as if the Beneficiary was the Participant.

If a Beneficiary of an unmarried Participant would be eligible for a non-Spouse death benefit, but the Participant dies before signing and filing a Beneficiary designation form with the Board of Trustees, or if the Beneficiary named in the unmarried Participant's Beneficiary designation form does not survive the unmarried Participant, the unmarried Participant's non-Spouse death benefit shall be paid in equal shares to the members of the first of the classes listed below having a living member on the date the distribution is payable in the form of the ten-year period certain and life annuity. The classes, in order of priority, are as follows:

(a) The unmarried Participant's children or their then-living issue, by right of representation; and

(b) The individual's estate, if under active administrator, and if not, the legal heirs of the unmarried Participant under the laws of the unmarried Participant's state of residence on the date of the unmarried Participant's death.

A Beneficiary is permitted to disclaim the Beneficiary's rights to a death benefit under the Plan to the extent permitted by applicable law. If this occurs, the Beneficiary shall be treated as predeceasing the Participant for purposes of this Section.

The records of the City shall be conclusive as to the proper payee and the amount payable. A distribution made based upon these facts shall be treated as a complete discharge of all obligations under the Plan.

8.8 Rollover by Non-Spouse Beneficiary

A Beneficiary who is not the Participant's Spouse shall be permitted to elect a direct rollover to an individual retirement account of any lump sum death benefit payable to the Beneficiary as provided in Article 19 or Section 10.3(c).

Article 9

Deferred Vested Benefit

9.1 Eligibility for Benefit

A Participant shall be eligible for a Deferred Vested Benefit if he has a Severance from Employment after satisfying the service requirement set forth in the applicable Schedule for his Benefit Group, but before qualifying for any other benefit under the Defined Benefit Plan. Except as provided in Section 12.2, a Participant who has a Severance from Employment before qualifying for a Deferred Vested Benefit or any other benefit shall not receive any benefit from the Defined Benefit Plan.

9.2 Amount of Benefit

The monthly retirement benefit payable to a Participant who is eligible for a Deferred Vested Benefit shall be an amount equal to the Participant's Accrued Benefit as of his Severance from Employment.

9.3 Commencement of Benefit

A Deferred Vested Benefit shall be payable to a Vested Terminated Participant who becomes eligible for, and has applied for, a Deferred Vested Benefit. Benefits shall commence no earlier than the Vested Terminated Participant's attainment of the minimum age requirement to be eligible for a Normal Retirement Benefit and shall be paid no later than the last working day of each month until the death of the Vested Terminated Participant. Benefits after the Vested Terminated Participant's death, if any, depend on the form of benefit payment elected by the Vested Terminated Participant.

9.4 Form of Payment Used in Determining Amount of Benefit

The amount of benefit determined under this Article is based on payment in the form of a Straight Life Annuity. If actual payment is in a different form, the amount of the actual benefit shall be adjusted to be the Actuarial Equivalent of a Straight Life Annuity.

9.5 Adjusted Amount for Late Payment

The amount of a Participant's benefits under this Article is based upon payment beginning on or before the Participant's Normal Retirement Date. If payment begins after the Participant's Normal Retirement Date, the amount of the Participant's benefit shall be the Actuarial Equivalent of the Participant's Accrued Benefit as of the Participant's Normal Retirement Date. Payment is not made retroactive to the Participant's Normal Retirement Date.

9.6 Form of Benefit

A Deferred Vested Benefit shall be payable in the form determined under Article 10.

Article 10

Forms of Payment

10.1 Application for Pension Benefits

No pension benefits shall be payable under the Defined Benefit Plan with respect to any period which is prior to the date an application for pension benefits is received and approved by the Board of Trustees, unless the Board of Trustees determines under nondiscriminatory rules that the delay was not due to negligence of the Participant or Vested Terminated Participant.

10.2 Automatic Form of Benefit Payment

Unless a Participant or Vested Terminated Participant elects an optional form of payment, as described in Section 10.3, his Normal Retirement Benefit, Early Retirement Benefit, or Deferred Vested Benefit shall automatically be paid under whichever of the forms applies at the time payments commence:

(a) If the Participant is not married as of his Annuity Starting Date, a Straight Life Annuity; or

(b) If the Participant is married as of his Annuity Starting Date, a monthly benefit for the life of the Participant or Vested Terminated Participant, with a survivor benefit for the life of his Spouse, if living, equal to 100 percent of the amount payable during the life of the Participant or Vested Terminated Participant. No survivor benefit shall be paid if the Spouse does not survive the Participant or Vested Terminated Participant. If the Participant re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse.

The amount of any form of payment other than a Straight Life Annuity form shall be the Actuarial Equivalent of the Straight Life Annuity form.

The automatic forms of payment described in this Section apply to any Participant whose Annuity Starting Date is on and after July 1, 2011, even if the Participant's Severance from Employment occurred before that date.

10.3 Optional Forms of Benefit Payment

If a Participant or Vested Terminated Participant waives the automatic form of payment provided in Section 10.2, he may elect one of the following optional forms of payment:

(a) Option A: Straight Life Annuity A monthly benefit for the life of the Participant or Vested Terminated Participant with no payments after the death of the Participant or Vested Terminated Participant.

(b) Option B: Joint and 50 Percent Survivor Annuity A monthly benefit for the life of the Participant or Vested Terminated Participant, with a survivor benefit for the life of his Spouse, if living, equal to 50 percent of the amount payable during the life of the Participant or Vested Terminated Participant. No survivor benefit shall be paid if the Spouse does not survive the Participant or Vested Terminated Participant. If the Participant re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse.

(c) Option C: Ten-Year Period Certain and Life Annuity A monthly benefit for the life of the Participant or Vested Terminated Participant, with a guarantee of a minimum of 120 monthly payments. If the Participant or Vested Terminated Participant dies before the minimum number of payments are made, monthly payments shall continue to his Beneficiary until the total number of payments made to the Participant or Vested Terminated Participant and his Beneficiary equal the guaranteed minimum number of payments. Alternatively, upon the death of the Participant or Vested Terminated Participant, the Beneficiary may elect to receive a single lump sum equal to the present value of the remaining guaranteed minimum number of payments. The lump sum shall be the Actuarial Equivalent of the Straight Life Annuity form. The Participant or Vested Terminated Participant may change his Beneficiary at any time before his death.

(d) Option D: Joint and 100 Percent Survivor Annuity with Pop-Up Feature A monthly benefit for the life of the Participant or Vested Terminated Participant with a survivor benefit for the life of his Spouse, if living, equal to 100 percent of the amount payable during the life of the Participant or Vested Terminated Participant. If the Participant or Vested Terminated Participant's Spouse predeceases the Participant or Vested Terminated Participant or if the Participant and Spouse divorce and a domestic relations order provides that the Spouse waives all rights to the Participant's benefit under the Plan, the monthly benefit payable to the Participant or Vested Terminated Participant shall increase to the amount that the Participant or Vested Terminated Participant would have received if his monthly benefit had been paid in the form of a Straight Life Annuity. The increase shall occur after the City receives evidence, satisfactory to the City, of the Spouse's death or that a domestic relations order with the necessary language has been issued and shall be retroactive to the day following

the Spouse's date of death or the date the Employer receives the domestic relations order. If the Participant re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse.

(e) **Option E: Joint and 50 Percent Survivor Annuity with Pop-Up Feature** A monthly benefit for the life of the Participant or Vested Terminated Participant with a survivor benefit for the life of his Spouse, if living, equal to 50% of the amount payable during the life of the Participant or Vested Terminated Participant. If the Participant or Vested Terminated Participant's Spouse predeceases the Participant or Vested Terminated Participant or if the Participant and Spouse divorce and a domestic relations order provides that the Spouse waives all rights to the Participant's benefit under the Plan, the monthly benefit payable to the Participant or Vested Terminated Participant shall increase to the amount that the Participant or Vested Terminated Participant would have received if his monthly benefit had been paid in the form of a Straight Life Annuity. The increase shall occur after the City receives evidence, satisfactory to the City, of the Spouse's death or that a domestic relations order with the necessary language has been issued and shall be retroactive to the day following the Spouse's date of death or the date the Employer receives the domestic relations order. If the Participant re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse.

An optional form of payment shall be elected by the Participant or Vested Terminated Participant in writing on a form provided by the Board of Trustees. The election is irrevocable as of the date his benefits begin, but may be periodically changed prior to that date. Other optional forms of payment may be available to certain groups of Participants and Vested Terminated Participants as set forth in the applicable Schedule.

10.4 **Eligible Rollover Distributions**

If a Distributee receives an Eligible Rollover Distribution from the Defined Benefit Plan, the following rules supersede any other provisions in this Article.

(a) **Notice Requirement** No less than 30 days and no more than 180 days before a distribution, the Board of Trustees shall provide the Distributee with a written explanation of:

(1) The rules under which the distribution may be paid in a Direct Rollover to an Eligible Retirement Plan;

(2) The rules that require income tax withholding if the distribution is not paid in a Direct Rollover;

(3) The rules under which the Distributee may roll over the distribution within 60 days of receipt; and

(4) Any other applicable tax rules.

However, the Distributee may elect to begin receiving benefits within 30 days after being provided the written notice, provided the Distributee is given at least 30 days after receipt of the written notice to consider whether or not to receive a Direct Rollover and the Distributee is clearly informed of this right.

(b) **Direct Rollover** The Distributee may elect a Direct Rollover of the distribution to an Eligible Retirement Plan. However, the Distributee's right to elect a Direct Rollover is subject to the following:

(1) A Distributee's election to make or not make a Direct Rollover with respect to one payment in a series of payments applies to all subsequent payments. However, the Distributee may change his election at any time;

(2) A Distributee may not elect a Direct Rollover to more than one Eligible Retirement Plan; and

(3) The Distributee shall supply the Board of Trustees with any information the Board of Trustees reasonably requests in connection with the Direct Rollover.

(c) **Income Tax Withholding** Mandatory income tax withholding shall apply to the portion of the Eligible Rollover Distribution for which the Distributee does not elect a Direct Rollover.

(d) **Definitions** The following definitions apply for purposes of this Section:

(1) **"Direct Rollover"** means the payment of an Eligible Rollover Distribution by the Defined Benefit Plan to an Eligible Retirement Plan specified by the Distributee.

(2) **"Distributee"** means a Participant, Vested Terminated Participant, Spouse of a Participant or Vested Terminated Participant, an alternate payee under an Eligible Domestic Relations Order or a Beneficiary who is not the Participant's Spouse.

(3) **"Eligible Retirement Plan"** means an eligible retirement plan, as defined in Section 401(a)(31) of the Code. An Eligible Retirement Plan includes:

(A) An IRA or Roth IRA;

(B) A plan described in Sections 403(a) or 403(b) of the Code;

(C) A Qualified Plan; and

(D) An eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state (an "eligible Section 457 plan"). However, an eligible Section 457 plan is an eligible retirement plan only if it agrees to separately account for amounts transferred into such plan from the Defined Benefit Plan.

(4) **"Eligible Rollover Distribution"** means an eligible rollover distribution under Section 402(c)(4) of the Code. This includes any distribution of benefits, except the following:

(A) A distribution that is required under Section 401(a)(9) of the Code (for example, after a Vested Terminated Participant attains age 70½);

(B) A distribution for a specified period of ten or more years; or

(C) A distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the Distributee and his Beneficiary.

(D) Any portion of the distribution that is not included in the Distributee's gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(5) **"IRA"** means an individual retirement account described in Section 408(a) of the Code, or an individual retirement annuity described in Section 408(b) of the Code.

(6) **"Roth IRA"** means a Roth individual retirement account or annuity under Section 408A of the Code.

10.5 Minimum Distribution Requirements

(a) **General Rules** The provisions of this Section shall apply for purposes of determining required minimum distributions for Calendar Years beginning with the 2003 Calendar Year. The requirements of this Section shall take precedence over any inconsistent provisions of the Defined Benefit Plan. All distributions required under this Section shall be determined and made in accordance with the regulations under Section 401(a)(9) of the Code, including Treas. Reg. §1.401(a)(9)-6.

(b) **Time and Manner of Distribution** A Participant's or Vested Terminated Participant's entire interest shall be distributed, or begin to be distributed, to the Participant no later than his Required Beginning Date.

(1) **Definition of Required Beginning Date** A Participant's or Vested Terminated Participant's required beginning date is the April 1 of the Calendar Year following the later of:

(A) The Calendar Year in which the Participant or Vested Terminated Participant attains age 70½; or

(B) The Calendar Year in which the Participant's or Vested Terminated Participant's Severance from Employment occurs.

(2) **Death of Participant Before Distributions Begin** If a Participant or Vested Terminated Participant dies before distributions begin, his entire interest shall be distributed, or begin to be distributed, no later than as follows:

(A) If the Participant's or Vested Terminated Participant's Spouse is his sole designated Beneficiary, then distributions to the Spouse must begin by the later of:

(i) December 31 of the Calendar Year immediately following the Calendar Year in which the Participant or Vested Terminated Participant died, or

(ii) December 31 of the Calendar Year in which the Participant or Vested Terminated Participant would have attained age 70½.

(B) If the Participant's or Vested Terminated Participant's Spouse is not his sole designated Beneficiary, then distributions to the designated Beneficiary must begin by December 31 of the Calendar Year immediately following the Calendar Year in which the Participant or Vested Terminated Participant died.

(C) If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's or Vested Terminated Participant's death, the Participant's or Vested Terminated Participant's entire interest must be distributed by December 31 of the Calendar Year containing the fifth anniversary of the Participant's or Vested Terminated Participant's death.

(D) If the Participant's or Vested Terminated Participant's Spouse is his sole designated Beneficiary and the Spouse dies after the Participant or Vested Terminated Participant but before distributions to the Spouse begin, this subsection (b)(2), other than subsection (b)(2)(A), shall apply as if the Spouse were the Participant or Vested Terminated Participant.

For purposes of this subsection (b)(2) and subsection (e), distributions are considered to begin on the Participant's or Vested Terminated Participant's required beginning date (or, if subsection (b)(2)(D) applies, the date distributions are required to begin to the Spouse under subsection (b)(2)(A)). If annuity payments irrevocably commence to the Participant or Vested Terminated Participant before his required beginning date (or to his Spouse before the date distributions are required to begin to the Spouse under subsection (b)(2)(A)), the date distributions are considered to begin is the date distributions actually commence.

(3) **Form of Distribution** Unless the Participant's or Vested Terminated Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, distributions beginning with the first distribution Calendar Year shall be made in accordance with subsections (c), (d) and (e). If the Participant's or Vested Terminated Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder shall be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury regulations. Any part of the Participant's or Vested Terminated Participant's interest which is in the form of an individual account described in Section 414(k) of the Code shall be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

(c) **Determination of Amount to be Distributed Each Year** The amount to be distributed each Calendar Year shall be determined as follows:

(1) **General Annuity Requirements** If the Participant's or Vested Terminated Participant's interest is paid in the form of annuity distributions under the Defined Benefit Plan, payments under the annuity shall satisfy the following requirements:

(A) The annuity distributions shall be paid in periodic payments made at intervals not longer than one year;

(B) The distribution period shall be over a life (or lives) or over a period certain not longer than the period described in subsection (d) or (e);

(C) Once payments have begun over a period certain, the period certain shall not be changed even if the period certain is shorter than the maximum permitted;

(D) Payments shall either be nonincreasing or increase only as follows:

(i) By an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index

that is based on prices of all items and issued by the federal Bureau of Labor Statistics;

(ii) To the extent of the reduction in the amount of the Participant's or Vested Terminated Participant's payments to provide for a survivor benefit upon death, but only if the designated Beneficiary whose life was being used to determine the distribution period described in subsection (d) dies or is no longer the Participant's or Vested Terminated Participant's designated Beneficiary pursuant to an Eligible Domestic Relations Order;

(iii) To provide cash refunds of Employee contributions upon the Participant's or Vested Terminated Participant's death; or

(iv) To pay increased benefits that result from a Defined Benefit Plan amendment.

(2) **Amount Required to be Distributed by Required Beginning Date** The amount that must be distributed on or before the Participant's or Vested Terminated Participant's required beginning date (or, if the Participant or Vested Terminated Participant dies before distributions begin, the date distributions are required to begin under subsection (b)(2)(A) or (B) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next Calendar Year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's or Vested Terminated Participant's benefit accruals as of the last day of the first distribution Calendar Year shall be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's or Vested Terminated Participant's required beginning date.

(3) **Additional Accruals After First Distribution Calendar Year** Any additional benefits accruing to the Participant or Vested Terminated Participant in a Calendar Year after the first distribution Calendar Year shall be distributed beginning with the first payment interval ending in the Calendar Year immediately following the Calendar Year in which such amount accrues.

(d) **Requirements for Annuity Distributions that Commence During Participant's Lifetime** The following requirements apply for annuity distributions that commence during a Participant's or Vested Terminated Participant's lifetime:

(1) **Joint Life Annuities Where the Beneficiary is Not The Participant's Spouse** If the Participant's or Vested Terminated Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant or Vested Terminated Participant and a nonspouse

Beneficiary, annuity payments to be made on or after the Participant's or Vested Terminated Participant's required beginning date to the designated Beneficiary after the Participant's or Vested Terminated Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant or Vested Terminated Participant using the table set forth in Q&A 2 of Treas. Reg. §1.401(a)(9)-6 and the adjusted Participant/Beneficiary age difference. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant or Vested Terminated Participant and a nonspouse designated Beneficiary and a period certain annuity, the requirement in the preceding sentence shall apply to annuity payments to be made to the designated Beneficiary after the expiration of the period certain.

(2) <u>Period Certain Annuities</u> Unless the Participant's or Vested Terminated Participant's Spouse is the sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's or Vested Terminated Participant's lifetime may not exceed the applicable distribution period set forth under the Uniform Lifetime Table set forth in Treas. Reg. §1.401(a)(9)-9 for the Calendar Year that contains the Annuity Starting Date. If the Annuity Starting Date precedes the year in which the Participant or Vested Terminated Participant reaches age 70, the applicable distribution period for the Participant or Vested Terminated Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Treas. Reg. §1.401(a)(9)-9 plus the excess of 70 over the age of the Participant or Vested Terminated Participant as of his birthday in the year that contains the Annuity Starting Date. If the Participant's or Vested Terminated Participant's Spouse is his sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's or Vested Terminated Participant's applicable distribution period, as determined under this subsection (d)(2) of this Section, or the joint life and last survivor expectancy of the Participant or Vested Terminated Participant and his Spouse as determined under the Joint and Last Survivor Table set forth in Treas. Reg. §1.401(a)(9)-9, using the Participant's or Vested Terminated Participant's and Spouse's attained ages as of the Participant's or Vested Terminated Participant's and Spouse's birthdays in the Calendar Year that contains the Annuity Starting Date.

(e) <u>Requirements for Minimum Distributions Where Participant Dies Before Date Distributions Begin</u> The following rules apply if a Participant or Vested Terminated Participant dies before distributions begin:

(1) <u>Participant Survived by Designated Beneficiary</u> If the Participant or Vested Terminated Participant dies before the date distribution of his interest begins and there is a designated Beneficiary, the Participant's or Vested Terminated Participant's entire interest shall be distributed, beginning no later than the time described in subsections (b)(2)(A) or (B), over the life of the designated Beneficiary or over a period certain not exceeding:

(A) Unless the Annuity Starting Date is before the first distribution Calendar Year, the life expectancy of the designated Beneficiary determined using the designated Beneficiary's age as of the designated Beneficiary's birthday in the Calendar Year immediately following the Calendar Year of the Participant's or Vested Terminated Participant's death; or

(B) If the Annuity Starting Date is before the first distribution Calendar Year, the life expectancy of the designated Beneficiary determined using the designated Beneficiary's age as of the designated Beneficiary's birthday in the Calendar Year that contains the Annuity Starting Date.

(2) **No Designated Beneficiary** If the Participant or Vested Terminated Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's or Vested Terminated Participant's death, distribution of his entire interest shall be completed by December 31 of the Calendar Year containing the fifth anniversary of the Participant's or Vested Terminated Participant's death.

(3) **Death of Spouse Before Distributions to the Spouse Begin** If the Participant or Vested Terminated Participant dies before the date distribution of his interest begins, the Participant's or Vested Terminated Participant's Spouse is his sole designated Beneficiary, and the Spouse dies before distributions to the Spouse begin, this subsection (e)(3) shall apply as if the Spouse were the Participant or Vested Terminated Participant, except that the time by which distributions must begin shall be determined without regard to subsection (b)(2)(A).

(f) **Definitions** This subsection contains definitions of terms for purposes of this Section. Other terms that are not defined in this subsection shall have the same meaning as in Article 2.

(1) **Designated Beneficiary** The individual who is designated as the Beneficiary under the Defined Benefit Plan and is the designated Beneficiary under Section 401(a)(9) of the Code and Treas. Reg. §1.401(a)(9) 4.

(2) **Distribution Calendar Year** A Calendar Year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution Calendar Year is the Calendar Year immediately preceding the Calendar Year which contains the Participant's or Vested Terminated Participant's required beginning date. For distributions beginning after the Participant's or Vested Terminated Participant's death, the first distribution Calendar Year is the Calendar Year in which distributions are required to begin pursuant to subsection (b)(2)(A).

(3) **Joint and Survivor Annuity** A form of benefit payment that provides a monthly benefit to the Participant or Vested Terminated Participant during his life and, if the Participant or Vested Terminated Participant is survived by a Beneficiary, a monthly survivor benefit for the remaining portion of the Beneficiary's life.

(4) **Life Expectancy** Life expectancy as computed by use of the single life table in Treas. Reg. §1.401(a)(9)-9.

(5) **Required Beginning Date** The date specified in subsection (b)(1).

10.6 Lost Participants and Uncashed Benefit Checks

(a) **Forfeiture of Accrued Benefit** If the vested portion of a Participant's Accrued Benefit is payable under this Article and the Plan Administrator cannot locate the Participant after a reasonable search, the Participant shall be deemed to be "lost." The Plan Administrator may then treat the Participant's vested Accrued Benefit as a forfeiture.

(b) **Reasonable Search** For purposes of this Section, a search will be considered to be "reasonable" if the Plan Administrator does the following:

(1) Sends a letter to the Participant at the Participant's last known address and the letter is returned because it is undeliverable, or the check remains uncashed for at least six months; and

(2) The Plan Administrator uses the services of a commercial locator service to determine the Participant's current address, but is unable to contact the Participant for a reason described in subparagraph (A) or (B).

(A) If a current address for the Participant is located, the Plan Administrator sends a letter to the Participant at that address, and

(i) The letter is returned as undeliverable; or

(ii) The check is not cashed within six months.

(B) No current address for the Participant is located.

(c) **Restoration of Accrued Benefit** If the Participant's vested Accrued Benefit is forfeited under this Section and the Participant subsequently applies for benefits under the Plan, the Participant's vested Accrued Benefit shall be reinstated. The Participant shall then be entitled to receive a distribution of the Participant's vested benefits under the Plan.

(d) **Beneficiaries** The provisions in this Section that apply to a Participant shall also apply to the Participant's Beneficiary if the Participant is deceased.

Article 11

Restrictions on Pensions

11.1 No Duplication of Benefits

Except as otherwise specifically provided in the Defined Benefit Plan, a Participant or Vested Terminated Participant shall not receive pension benefits under more than one Article from among Articles 5, 6, 7 and 9. If a Participant or Vested Terminated Participant becomes eligible to receive benefits under two or more of such Articles, the Participant or Vested Terminated Participant shall make a binding and final election as to the one Article under which pension benefits are to be paid.

11.2 Limit on Annual Benefits

The annual pension benefit payable to a Participant from all Defined Benefit Plans maintained by Employer shall not exceed the limits contained in Section 415 of the Code, which is incorporated in the Defined Benefit Plan by reference.

(a) **Limit on Annual Benefit** The annual benefit accrued by a Participant, and the annual benefit payable to a Participant, shall not exceed $210,000, as adjusted pursuant to Section 415(d) of the Code (the "Section 415 Dollar Limit").

(b) **Adjustments to Section 415 Dollar Limit**

(1) If the Participant's Annuity Starting Date occurs after the Participant attains age 62 and before the Participant attains age 65, no adjustment shall be made to the Section 415 Dollar Limit that applies to the Participant.

(2) If a Participant's Annuity Starting Date occurs before the Participant attains age 62, the Section 415 Dollar Limit shall be reduced for each month that benefits commence before the month in which the Participant attains age 62. The Section 415 Dollar Limit at any age before age 62 is the lesser of:

(A) The Section 415 Dollar Limit multiplied by a fraction in which the numerator is the annual benefit payable to the Participant as a single life annuity on the Participant's Annuity Starting Date and the denominator is the annual benefit payable to the Participant as a single life annuity at age 62. The numerator and denominator shall both be determined without applying the rules of Section 415 of the Code; or

(B) An Actuarial Equivalent amount determined using the 5 percent interest rate and the applicable mortality table under Treas. Reg. §1.417(e)-1(d)(2) that is effective for that Annuity Starting Date. However, no adjustment shall be made for the possibility of the Participant's death between the Participant's Annuity Starting Date and age 62.

(3) If a Participant's Annuity Starting Date occurs after the Participant attains age 65, the Section 415 Dollar Limit shall be increased for each month that benefits commence after the month in which the Participant attains age 65. The Section 415 Dollar Limit at any age after age 65 is the lesser of:

(A) The Section 415 Dollar Limit multiplied by a fraction in which the numerator is the annual benefit payable to the Participant as a single life annuity on the Participant's Annuity Starting Date (actuarially increased for commencement after age 65, but without regard to benefit accruals after age 65) and the denominator is the annual benefit payable as a single life annuity to a hypothetical Participant who is age 65 and has the same Accrued Benefit as the Participant (but with no actuarial increase for commencement after age 65 and no benefit accruals after age 65). The numerator and denominator shall both be determined without applying the rules of Section 415 of the Code; or

(B) An Actuarial Equivalent amount determined using a 5 percent interest rate and the applicable mortality table under Treas. Reg. §1.417(e)-1(d)(2) that is effective for that Annuity Starting Date. However, no adjustment shall be made for the possibility of the Participant's death between age 65 and the Participant's Annuity Starting Date.

(c) **Adjustments to Limits Based Upon Form of Payment** The limits under Section 415 of the Code are based upon payment in a single life annuity (i.e., an annuity for the lifetime of the Participant). As a result, these limits must be adjusted to the Actuarial Equivalent of a single life annuity if payment is made in a different form. The Actuarial Equivalent of a single life annuity for purposes of Section 415 of the Code shall be:

(1) If payment is made in a form other than a lump sum payment, the greater of:

(A) The annual amount of the single life annuity payable to the Participant under the Defined Benefit Plan commencing on the same Annuity Starting Date as the form of benefit payable to the Participant; or

(B) The annual amount of the single life annuity commencing on the same Annuity Starting Date that is the Actuarial Equivalent of the form of benefit payable to the Participant, computed using a 5 percent interest assumption and the applicable mortality table described in Treas. Reg. §1.417(e)-1(d)(2) for that Annuity Starting Date.

(2) If payment is made in a lump sum distribution, the annual amount of a single life annuity commencing on the Annuity Starting Date that is the Actuarial Equivalent of the benefit payable to the Participant, computed using

one of the following combinations of actuarial assumptions that results in the largest single life annuity:

(A) The applicable interest rate and mortality table (or tabular factor) specified in Article 2 for adjusting benefits in the same form;

(B) A 5.5 percent interest assumption and the applicable mortality table for the distribution under Treas. Reg. §1.417(e)-1(d)(2); or

(C) The applicable interest rate for the distribution under Treas. Reg. §1.417(e)-1(d)(3) and the applicable mortality table for a distribution under Treas. Reg. §1.417(e) 1(d)(2), divided by 1.05.

Benefit increases resulting from the increases in the limitations of Section 415(b) of the Code shall be provided to each Participant who has an Hour of Service after December 31, 2001.

11.3 Coordination with Workers' Disability Compensation Benefits

Workers' disability compensation benefits to which a Participant is entitled pursuant to the Workers' Disability Compensation Act of 1969 (MCL § 418.301 et. seq.) shall be coordinated with benefit payments under the Defined Benefit Plan to the extent provided in the Schedule for each Benefit Group.

Article 12

Accumulated Employee Contributions

12.1 Accumulated Employee Contributions

This Article applies to Participants and Vested Terminated Participants who have made Accumulated Employee Contributions to the Defined Benefit Plan. Accumulated Employee Contributions were made to the Defined Benefit Plan for periods prior to July 2, 1978. Between July 3, 1978, and July 1, 2001, no Employee contributions were required or permitted to be made to the Defined Benefit Plan. Effective as of July 2, 2001, certain Benefit Groups were again required to make Employee contributions as a condition of participation in the Defined Benefit Plan. The schedule for each Benefit Group indicates whether Employee contributions are made by members of that Benefit Group.

12.2 Distribution

A Participant who does not have vested benefits who has a Severance from Employment shall be paid his Accumulated Employee Contributions, plus interest awarded in accordance with Article 15, in a lump sum payment upon submitting a written request to the Board of Trustees. If a Participant dies and no benefit shall be payable by the Defined Benefit Plan on account of the Participant's death, the Participant's Accumulated Employee

Contributions, plus interest awarded in accordance with Article 15, shall be paid to the Participant's Beneficiary in a lump sum payment.

12.3 Termination of Pension; Residual Payment

In the event all benefit payments under the Defined Benefit Plan terminate (i.e., upon the Retiree's death) before there has been paid an aggregate amount equal to the Retiree's total Accumulated Employee Contributions made to the Defined Benefit Plan, the difference between the Retiree's total Accumulated Employee Contributions and the aggregate amount of benefit payments made shall be paid to the Retiree's Beneficiary in a lump sum payment.

12.4 Reserve

The reserve for Accumulated Employee Contributions is the account which holds Participants' Accumulated Employee Contributions pending payment or transfer. Interest shall be credited to the individual Participant balances in the reserve for Accumulated Employee Contributions in accordance with Article 15. Accumulated Employee Contributions shall be transferred to the reserve for retired benefit payments upon the retirement or death of the Participant or Vested Terminated Participant, provided the Participant or Vested Terminated Participant is entitled to a retirement benefit under the Defined Benefit Plan or the Beneficiary of the Participant or Vested Terminated Participant is entitled to a death benefit under the Defined Benefit Plan.

At the expiration of the four-year period following the Severance from Employment of a Participant who does not have vested benefits, any amounts in the reserve for Accumulated Employee Contributions unclaimed by the Participant or his Beneficiary shall be forfeited and transferred to the reserve for undistributed investment income.

Article 13

Compulsory Retirement

13.1 General Rule

To the extent permitted by applicable law, each Participant, other than an appointed officer, shall be separated from employment with Employer no later than the first day of the month after the attainment of the age set forth in the applicable Schedule for his Benefit Group.

13.2 Permitted Continuation

A Participant of a Benefit Group may continue to work for Employer beyond the attainment of the age described in Section 13.1, upon satisfying the following requirements:

(a) The Participant must submit a written request to Employer for continued employment no later than 30 days before his employment is required to terminate pursuant to Section 13.1.

(b) To the extent permitted by applicable law, if requested by Employer, the Participant must furnish medical evidence of his physical capability to perform the essential functions of the Participant's job.

(c) The Participant's request is approved, in writing, by Employer.

To the extent permitted by applicable law, employment with Employer shall not continue beyond the age limit set forth in the applicable Schedule for the Participant's Benefit Group. However, Employer may waive the age limit set forth in the applicable Schedule either for good cause or to comply with applicable law.

Article 14

Administration

14.1 Establishment of Board of Trustees

The Board of Trustees shall consist of the following:

(a) A member of the City Council, appointed by the City Council and to serve at the pleasure of the City Council.

(b) The City Manager.

(c) A resident who is a registered voter of the City who is not an officer or an Employee of Employer and who is not a Participant, Vested Terminated Participant, Retiree or Beneficiary of the Retirement System, to be appointed by the City Council.

(d) One Participant in the Retirement System who is a member of the Administrative and Supervisory Benefit Group or Administrative Contract Benefit Group, to be elected by the Participants in the Retirement System who are members of the Administrative and Supervisory Benefit Group and Administrative Contract Benefit Group.

(e) One Participant in the Retirement System who is a member of the General Benefit Group, to be elected by the Participants in the Retirement System who are members of the General Benefit Group.

(f) One Participant in the Retirement System who is a member of the Public Safety Benefit Group (consisting of the Police Command Benefit Group, the Police Nonsupervisory Benefit Group and the Fire Benefit Group), to be elected by the Participants in the Retirement System who are members of the Public Safety Benefit Group.

Election of the members listed in (d), (e), (f) above shall be held in accordance with rules adopted by the Board of Trustees. The Board of Trustees shall adopt its own rules and procedures and shall keep a record of its proceedings. Four trustees shall constitute a quorum at

any meeting of the Board of Trustees and at least four concurring votes shall be necessary for any decision by the Board of Trustees.

14.2 Term of Office; Vacancy

The regular term of office of the citizen trustee described in Section 14.1(c) and the Participant-elected trustees described in Sections 14.1(d), (e) and (f) shall be three years. The term of the Administrative Group trustee shall expire on June 30, 2013, the term of the Public Safety Group trustee shall expire on June 30, 2015 and the terms of the Citizen trustee and the General Benefits Group trustee shall expire on June 30, 2014. Thereafter, each term will expire three (3) years after the end of the prior term (even if a vacancy occurs on the Board of Trustees during a term and a replacement trustee must be elected to complete a three-year term). A vacancy shall occur on the Board of Trustees if:

(a) A trustee resigns;

(b) An elected or appointed trustee ceases to be a trustee because of Section 5.3 of the City Charter;

(c) An ex-officio trustee ceases to hold the office which qualified the individual as a trustee; or

(d) A Participant-elected trustee ceases to be a Participant.

In the event a vacancy occurs on the Board of Trustees, the vacancy shall be filled for the unexpired term in the same manner as the position was previously filled. If a Trustee changes Benefit Groups during his or her term, the Trustee shall serve out his or her term until the next scheduled election for a Trustee of the Trustee's prior Benefit Group.

14.3 Officers and Administrative Services

The officers and administrative services of the Defined Benefit Plan shall be as follows:

(a) **Chairperson and Vice-Chairperson** The Board of Trustees shall annually elect a chairperson and a vice-chairperson from among the individuals who serve as trustee.

(b) **Secretary** The Human Resource Director shall be the administrative officer of the Defined Benefit Plan and shall be the secretary of the Board of Trustees.

(c) **Treasurer** The City Finance Director shall be the treasurer of the Defined Benefit Plan. The treasurer shall be custodian of the assets of the Defined Benefit Plan except as to such assets as the Board of Trustees may from time to time otherwise hold, as authorized by applicable law. This shall not prevent the Board of Trustees from appointing a bank or other agent as custodian of any assets.

(d) **Actuary** The Board of Trustees shall designate an Actuary who shall be the technical advisor to the Board of Trustees regarding the operation of the Defined Benefit Plan on an actuarial basis and who shall perform such services as are required in that connection.

(e) **Other Services** The Board of Trustees is authorized and empowered to employ such professional or other administrative services as are required for the proper administration of the Defined Benefit Plan. No advisor to the Board may also serve as a member of the Board of Trustees at the same time.

14.4 Powers of Board of Trustees

The Board of Trustees shall have the discretionary power and authority to manage and administer the Defined Benefit Plan in accordance with its terms and applicable laws and regulations. The Board of Trustees shall exercise its authority in a nondiscriminatory manner. The Board of Trustees shall have the powers necessary to administer and meet its obligations under the Defined Benefit Plan, including, but not limited to, the following:

(a) Maintain records pertaining to the Defined Benefit Plan.

(b) Interpret the terms and provisions of the Defined Benefit Plan.

(c) Decide all questions of eligibility for participation in the Defined Benefit Plan.

(d) Decide all questions of eligibility for benefit payments and determine the amount and manner of the payment of benefits.

(e) Establish procedures by which Participants, Vested Terminated Participants and Beneficiaries may apply for pension benefits under the Defined Benefit Plan and appeal a denial of pension benefits.

(f) Determine the rights under the Defined Benefit Plan of any Participant, Vested Terminated Participant or Beneficiary applying for or receiving pension benefits.

(g) Determine the total Years of Credited Service of a Participant, Vested Terminated Participant, or Retiree for a Participant, Vested Terminated Participant, Retiree, or Beneficiary who is applying for or receiving pension benefits.

(h) Require and obtain the appropriate Actuary reports.

(i) Authorize the payment of benefits to all individuals entitled to pension benefits under the Defined Benefit Plan, and to pay the administrative expenses of the Defined Benefit Plan.

(j) Administer the appeal procedure provided for in this Article.

(k) Delegate specific responsibilities for the operation and administration of the Defined Benefit Plan to Employees or agents.

(l) Determine the employment status of any person providing services to Employer.

(m) To the extent permitted by applicable law, take voluntary action to self-correct operational errors in the administration of the Defined Benefit Plan.

14.5 Ability to Delegate Authority

The Board of Trustees may delegate to the City and/or an agent or Employee of the City routine and limited discretionary duties as it sees fit.

14.6 Indemnification

To the extent permitted by applicable law, Employer shall indemnify and hold harmless any Employee for any liability or expense arising out of the Employee's action or failure to act in performing services on behalf of the Board of Trustees. However, this provision only applies if the Employee's action is in good faith and is not willful misconduct.

14.7 Investment of Defined Benefit Plan Assets

The Board of Trustees shall be the trustee of the assets of the Defined Benefit Plan. The Board of Trustees shall have full power and authority to invest/reinvest the assets subject to all terms, conditions, limitations and restrictions imposed by the state of Michigan on the investment of public employee retirement systems. The Board of Trustees may employ outside investment counsel to advise the Board of Trustees in the making and disposition of investments. All investment of Defined Benefit Plan assets shall be made in accordance with the requirements of the Public Employee Retirement System Investment Act (MCL § 33.112 et. seq.).

14.8 Standard of Care

The Board of Trustees shall administer the Defined Benefit Plan in accordance with the terms of the Defined Benefit Plan and the Ethics Policy adopted by the Board solely in the interest of the Participants, Vested Terminated Participants and Retirees and for the exclusive purposes of providing benefits to Participants, Vested Terminated Participants and Retirees and their Beneficiaries and defraying the reasonable expenses of administration. The Board of Trustees shall administer the Defined Benefit Plan with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims.

14.9 Employment of Agents by Board of Trustees

The Board of Trustees may periodically employ agents and delegate to them routine and limited discretionary duties as it sees fit. The Board of Trustees may also employ or

consult expert assistants. The Board of Trustees shall not be liable for any neglect, omission or wrongdoing of any agent or assistant, provided that reasonable care was exercised in their selection. The Board of Trustees may consult with legal counsel (who may be of counsel to the City) concerning any question which may arise with reference to its duties under the Defined Benefit Plan. The opinion of legal counsel shall fully and completely protect the Board of Trustees with respect to any action taken or not taken under this Article in good faith and in accordance with the opinion of legal counsel.

14.10 Appeal Procedure

Any Participant or Vested Terminated Participant whose application for benefits under the Defined Benefit Plan has been denied, in whole or in part, shall be given written notice of the denial of benefits by the Board of Trustees. The Board of Trustees shall provide the notice of denial within 90 days after the claim is received by the Defined Benefit Plan, unless special circumstances require an extension of time for processing the claim. If an extension of time is required, the Board of Trustees shall provide the Participant or Vested Terminated Participant written notice of the extension before the expiration of the initial 90-day period. However, in no event shall the extension exceed a period of 90 days from the end of the initial period.

The notice shall be in easily understood language and shall indicate the reasons for denial and the specific provisions of the Defined Benefit Plan on which the denial is based. The notice shall explain that the Participant or Vested Terminated Participant may request a review of the denial and the procedure for requesting review. The notice shall describe any additional information necessary to perfect the claim and explain why the information is necessary.

A Participant or Vested Terminated Participant may make a written request to the Board of Trustees for a review of any denial of benefits under the Defined Benefit Plan. The written request for review must be made within 60 days after the mailing date of the notice of denial. The request shall refer to the provisions of the Defined Benefit Plan on which it is based and shall set forth the facts relied upon as justifying a reversal or modification of the determination being appealed.

A Participant or Vested Terminated Participant who requests a review of a denial of benefits in accordance with this appeal procedure may examine pertinent documents and submit pertinent issues and comments in writing. A Participant or Vested Terminated Participant may have a representative act on his behalf in exercising his right to request a review and the rights granted by this appeal procedure. The Board of Trustees shall provide a review of the decision denying the claim for benefits within 60 days after receiving the written request for review.

A Participant or Vested Terminated Participant may appeal the Board of Trustees' review of the decision denying the claim for benefits through binding arbitration. A written request for binding arbitration must be made within 60 days after the mailing date of the notice of the Board of Trustees' review of the decision. The binding arbitration shall be conducted in accordance with rules and procedures established by the Board of Trustees.

14.11 Compensation

The members of the Board of Trustees who are not Employees of Employer may be paid reasonable compensation for the performance of their services under the Defined Benefit Plan, as determined by the Board of Trustees. Further, each member of the Board of Trustees shall be reimbursed for all reasonable and necessary expenses which that member may incur in connection with the performance of his duties under the Defined Benefit Plan. Any compensation or reimbursement of expenses provided to a member of the Board of Trustees shall be paid from the Defined Benefit Plan's assets unless paid directly by Employer.

Article 15

Defined Benefit Plan Funding

15.1 Reserve for Retired Benefit Payments

The reserve for retired benefit payments is the account from which all Normal Retirement Benefits, Early Retirement Benefits, Temporary Disability Benefits, Deferred Vested Benefits, death benefits and residual refunds of the Accumulated Employee Contributions shall be paid. Should a Temporary Disability Benefit be terminated and the Participant be returned to the employment of Employer in a position eligible for participation in the Defined Benefit Plan, the Actuarial Equivalent of the Participant's benefit at the date of termination of total disability shall be transferred from the reserve for retired benefit payments to the reserve for Accumulated Employee Contributions and the reserve for Employer contributions in the proportion transfers were made from such accounts upon the commencement of the Temporary Disability Benefit.

15.2 Reserve for Employer Contributions

The reserve for Employer contributions is the account to which is credited contributions made by Employer to the Defined Benefit Plan and from which transfers shall be made as provided in this Article.

Each year, following the receipt of the Actuary's report, the excess, if any, of the reported actuarial present value of the pensions being paid and likely to be paid to Retirees and Beneficiaries over the balance in the reserve for retired benefit payments shall be transferred from the reserve for Employer contributions to the reserve for retired benefit payments.

The financial objective of the Defined Benefit Plan is to require Employer contributions to the Defined Benefit Plan each Plan Year which shall be sufficient to fully fund the actuarial cost of benefits likely to be paid on account of services rendered by Participants during the current Plan Year and finance the unfunded actuarial cost of benefits likely to be paid on account of services rendered by Participants prior to the current Plan Year over a period not to exceed 30 Plan Years. The contributions shall be computed by the Actuary at level percents of Participant payroll in accordance with generally recognized actuarial principles. The contributions shall be appropriated by Employer and paid to the Defined Benefit Plan.

15.3 Reserve for Undistributed Investment Income

The reserve for undistributed investment income is the account to which is credited all interest, dividends and other income from the investment of Defined Benefit Plan assets, all gifts and bequests received by the Defined Benefit Plan, all unclaimed Accumulated Employee Contributions and pensions and all other monies received by the Defined Benefit Plan, the disposition of which is not specifically provided. There shall be transferred from the reserve for undistributed investment income all amounts required to credit interest to the reserve for Accumulated Employee Contributions, the reserve for Employer contributions and the reserve for retired benefit payments. Whenever the Board of Trustees determines that the balance in the reserve for undistributed investment income is more than sufficient to cover current charges to the reserve, the excess or any part thereof shall be transferred to the reserve for Employer contributions. Whenever the Board of Trustees determines that the balance in the reserve for undistributed investment income is insufficient to meet the current charges to the account, the amount of the insufficiency shall be transferred from the reserve for Employer contributions.

15.4 Allowance of Interest and Rates of Interest

The Board of Trustees shall, at the end of each Plan Year, credit interest on the Accumulated Employee Contributions. The Board of Trustees shall determine the rate or rates of interest to be used in the crediting of interest.

15.5 Method of Making Payments

All payments from Defined Benefit Plan assets shall be made according to procedures governing the disbursement of Employer's general fund monies. No payment shall be made unless it is authorized by the Board of Trustees.

15.6 Assets not Segregated

The description of the various reserves of the Defined Benefit Plan shall be interpreted to refer to the accounting records of the Defined Benefit Plan and not to the segregation of monies or assets in the reserve accounts of the Defined Benefit Plan. Defined Benefit Plan assets are not required to be held in trust or in any separate fund until paid.

Article 16

Rights of Participants

16.1 Right to Rehire Retirees

Employer in its sole discretion may rehire any Retiree who has retired on a Normal Retirement Benefit, Early Retirement Benefit, or a Deferred Vested Benefit after the later of either 30 days after the Employee's Severance from Employment, or the beginning of the following Plan Year if the Employee has accrued 1,000 Hours of Service in the current Plan Year.

The Board of Trustees shall suspend the pension benefits of any Retiree during certain periods of reemployment by Employer. Benefits shall be suspended for any period during which the Retiree is rehired and normally has at least 1,000 Hours of Service during a Plan Year. Any Retiree who is rehired and normally has less than 1,000 Hours of Service during a Plan Year may, upon the Employee's election, suspend benefits for any period during which the Retiree is rehired.

If pension benefits have been suspended, payment shall resume no later than the first day of the third calendar month after the calendar month in which the individual ceases to be employed in service which required the suspension of his benefits.

If the Retiree's benefits are suspended, the Retiree shall earn a separate Accrued Benefit for his period of reemployment. The separate Accrued Benefit shall be determined under Article 5 based upon the Retiree's Years of Credited Service during the period of reemployment. However, his Accrued Benefit relating to any prior period of employment shall not be changed. The Retiree's pension benefit shall be the sum of the Accrued Benefits earned during the separate periods of employment.

At the time payments resume, the Board of Trustees may deduct from benefit payments to be made any payments which were previously made during a period in which benefits should have been suspended. The deduction or offset may not exceed in any one month 25 percent of that month's total benefit payment which would have been due, but for the offset. However, the initial payment after benefits resume may be offset without limitation.

Upon the request of a Retiree, the Board of Trustees shall determine whether specific contemplated employment shall be employment for which benefit payments shall be suspended.

16.2 No Employment Rights

The existence of the Defined Benefit Plan shall not grant a Participant any legal right to continue as an Employee, or affect the right of Employer to discharge a Participant.

16.3 No Participant Interest in Defined Benefit Plan

No Participant, Vested Terminated Participant, Retiree, Beneficiary, or any other person shall have interest in, or right to, any specific Defined Benefit Plan asset.

16.4 Spendthrift Provision

No benefit or interest under the Defined Benefit Plan is subject to assignment or alienation, whether voluntary or involuntary, except as follows:

(a) A Participant, Vested Terminated Participant or Retiree may assign a portion of his benefit to an alternate payee under an Eligible Domestic Relations Order or a domestic relations order.

(b) A Participant's benefit may be reduced by any actuarial, legal or other administrative fees associated with the review and implementation of an Eligible Domestic Relations Order or domestic relations order.

(c) A Participant's, Vested Terminated Participant's or Retiree's benefit may be transferred or assigned to the extent permitted by Section 401(a)(13) of the Code and its regulations.

(d) Employer shall have the right of setoff for any claim arising from embezzlement or fraud by a Participant, Vested Terminated Participant, Retiree, Beneficiary and for any overpayments.

(e) A Participant's benefit may be transferred or assigned to the extent permitted under the Public Employee Retirement Benefits Forfeiture Act (MCL § 38.2701 et. seq.) and the State Correctional Facility Reimbursement Act (MCL § 800.401 et. seq.).

Article 17

Defined Benefit Plan Amendment and Termination

17.1 Amendment

The City reserves the right to amend the Defined Benefit Plan at any time, to the extent permitted by applicable law and any applicable Collective Bargaining Agreements.

17.2 Termination

The City may terminate the Defined Benefit Plan at any time, to the extent permitted by applicable law and any applicable Collective Bargaining Agreements. If the Defined Benefit Plan is terminated, the Accrued Benefit of each Participant as of the date of termination shall be fully vested and nonforfeitable to the extent funded. These benefits shall be paid in accordance with the provisions of Section 17.4. In no event shall a Participant have any recourse for satisfaction of his benefits other than from the Defined Benefit Plan (or portion of assets segregated pursuant to Section 17.3).

17.3 Partial Termination

Upon the partial termination of the Defined Benefit Plan, the Board of Trustees shall account for separately, on behalf of the Participants with respect to whom the Defined Benefit Plan has been terminated, the proportionate interest of such Participants in the Defined Benefit Plan. This proportionate interest shall be determined by the Actuary, on the basis of contributions made under the Defined Benefit Plan and such assumptions as are determined reasonable by the Actuary and are approved by the Board of Trustees. The funds which are accounted for separately in this manner shall be fully vested and shall be used by the Board of Trustees to pay benefits to, or on behalf of, the Participants with respect to whom the Defined Benefit Plan has been terminated in accordance with Section 17.4.

17.4 Distribution Upon Termination

The assets of the Defined Benefit Plan, or the portion of the assets accounted for separately in accordance with Section 17.3, shall be allocated (after provision is made for the expenses of termination) to provide for the payment of benefits in an order of precedence that parallels those specified in Section 4044 of the federal Employee Retirement Income Security Act of 1974, and the rules and regulations issued by the Pension Benefit Guaranty Corporation.

17.5 Method of Distribution

If the Defined Benefit Plan is terminated, benefits shall be distributed to the Participants as soon as administratively feasible after the termination. However, if the City applies for a determination letter, the distribution may be delayed until after the Internal Revenue Service has made a favorable determination that the Defined Benefit Plan's termination does not affect its previously qualified status. Distributions shall be made in the forms described in Section 10.5 and shall be subject to the distribution rules of Section 10.5.

17.6 Reversion to Employer

If the terminated Defined Benefit Plan contains excess assets after satisfaction of all liabilities provided in this Section, the excess assets shall revert to Employer.

Article 18

Miscellaneous Provisions

18.1 Correction of Errors

Should any change in the records of the Defined Benefit Plan result in any Retiree or Beneficiary being paid more or less than what has been paid had the records been correct, the Board of Trustees shall correct the error and as far as practicable shall adjust the payment in such a manner that the Actuarial Equivalent of the benefit to which the individual was correctly entitled to shall be paid.

18.2 Subrogation

If a Participant becomes entitled to a benefit under the Defined Benefit Plan as a result of an accident or injury caused by the act of a third party, Employer shall be subrogated to the rights of a Participant against the third party to the extent that Employer financed benefits which the Defined Benefit Plan pays or becomes liable to pay.

18.3 Age

Any reference in the Defined Benefit Plan to age shall mean the age of the individual as of the individual's last birthday.

18.4 Uniformity of Treatment

Any discretionary action taken under the Defined Benefit Plan by the Board of Trustees or Employer shall be uniform in its application to similarly situated persons.

18.5 Construction

Words used in the masculine shall apply in the feminine where applicable. Wherever the context of the Defined Benefit Plan dictates, the plural shall be read as singular and the singular as plural.

18.6 Governing Law

To the extent that Michigan law has not been preempted by federal law, the provisions in the Defined Benefit Plan shall be governed by the laws of the state of Michigan.

18.7 Notice and Elections

Except as otherwise provided in the Defined Benefit Plan, notices, election and request for distributions may be provided through electronic media to the extent permitted by applicable law.

18.8 Collective Bargaining Agreements

To the extent that a provision in the Plan conflicts with a specific provision in a Collective Bargaining Agreement for a Benefit Group, the specific provision in the Collective Bargaining Agreement shall control.

Article 19

Deferred Retirement Option Defined Benefit Plan ("DROP")

19.1 Definitions

The following words, terms and phrases, when used in this Article, shall have the meanings ascribed to them in this Section, unless the context clearly indicates a different meaning.

(a) **"DROP"** means the deferred retirement option plan established under this Article. The DROP is part of the Defined Benefit Plan.

(b) **"DROP Account"** means the total amount credited to an individual DROP Participant due to participation in the DROP.

(c) **"DROP Benefit"** means a Participant's total DROP account balance at the time the Participant has a Severance from Employment.

(d) **"DROP Entry Date"** means the effective date of the Participant's participation in the DROP.

(e) **"DROP Period"** means the duration of a Participant's participation in the DROP, from the DROP Entry Date to the date the Participant has a Severance from Employment.

19.2 Basic Concept of the DROP

In lieu of retiring and commencing receipt of a monthly benefit, an eligible Participant may enter into the DROP as follows:

(a) Eligible Participants who elect to participate in the DROP shall make an irrevocable election to terminate employment with Employer and retire upon ceasing participation in the DROP. The Participant must cease participation in the DROP and terminate employment no later than three years after entering the DROP, unless the Participant has a Severance from Employment at an earlier date pursuant to Article 13.

(b) The Participant's DROP election shall specify the Participant's future retirement date and the form of payment in which his monthly pension benefit shall be paid (from among the forms of payment available under Article 10). The selected form of payment shall apply both immediately for purposes of determining the monthly amount credited to the Participant's DROP Account under Section 19.5(a), and upon his Severance from Employment.

(c) Upon entry into the DROP, a Participant shall no longer accrue additional Years of Credited Service under the Defined Benefit Plan. Further, any Compensation increases of the Participant after his DROP Entry Date, or any increases in the benefit formula that applies to the Participant's Benefit Group that are made after his DROP Entry Date shall be disregarded.

(d) Participants in the DROP remain Employees of Employer for all other purposes, and are not treated as separated from Employer during their participation in the DROP. However, the determination of the Participant's monthly pension benefit amount is made and payment of the monthly pension benefit begins upon entry into the DROP, except that payments of that benefit are credited to a special DROP Account subject to certain conditions, rather than distributed to the Participant directly.

19.3 Eligibility

To participate in the DROP, a Participant must meet the following requirements as of his DROP Entry Date:

(a) Be an active Employee of Employer;

(b) Have attained Normal Retirement Age, as set forth in the applicable Schedule for his Benefit Group; and

(c) Be eligible for the DROP under the applicable Schedule for his Benefit Group.

Eligible Participants may make a DROP election at any time after satisfying these requirements.

19.4 Election to Participate in the DROP

An eligible Participant's election to participate in the DROP is subject to the following conditions:

(a) Except as otherwise provided in this Article, a Participant's election to participate in the DROP is irrevocable;

(b) The Participant's DROP Entry Date shall not be earlier than 30 days after the date the election is filed with the Board of Trustees; and

(c) The Participant's DROP Entry Date shall not be earlier than the Participant's Normal Retirement Age.

For participation in the DROP to be effective, the Participant's election must be approved by the Board of Trustees.

19.5 Credits to a DROP Participant's DROP Account

Credits to a Participant's DROP Account begin on the Participant's DROP Entry Date and continue until the end of the Participant's DROP Period. Credits shall not be made to a Participant's DROP Account for a period that occurs after the Participant's Severance from Employment. Credits to a Participant's DROP Account consist of the following:

(a) A monthly amount equal to the Participant's Normal Retirement Benefit as of the Participant's DROP Entry Date and calculated based on the form of distribution elected by the Participant in his DROP election; and

(b) Interest on the Participant's DROP Account balance at the end of the prior fiscal year computed at a rate determined by the Board of Trustees and credited at the end of the current fiscal year. The initial rate shall be four percent per annum and shall be reviewed not less than annually by the Board of Trustees at the beginning of each Plan Year. The Board of Trustees may adjust the interest rate prospectively so that the impact of the DROP will not result in more than an immaterial increase in Employer's normal cost of annually funding the Defined Benefit Plan.

Prior to a distribution of benefits, Participants' DROP Accounts shall not be segregated from other assets of the Defined Benefit Plan.

19.6 Severance From Employment at Conclusion of DROP Period

Except as otherwise provided in Sections 19.8 and 19.9, upon the conclusion of a Participant's DROP Period, the Participant shall have a Severance from Employment and shall be retired. The Participant's DROP Benefit and the remainder of his monthly pension benefit shall be distributed to the Participant as provided in Section 19.7.

19.7 Distribution of Benefits at Conclusion of DROP Period

Upon the conclusion of the Participant's DROP Period, the Participant may elect to receive his DROP Benefit in a lump sum payment, or as an Eligible Rollover Distribution. Distribution of the Participant's DROP Benefit shall be made within 60 days of the Participant's Severance from Employment. The Participant shall also receive a monthly pension benefit equal to his Normal Retirement Benefit calculated as of his DROP Entry Date and based on the form of distribution elected by the Participant in his DROP election.

19.8 Death Before Distribution of Benefits

Except as otherwise provided in Section 19.9, if a DROP Participant dies before receiving a distribution of his DROP benefit, his Beneficiary shall receive the Participant's DROP Benefit in a lump sum payment or as an Eligible Rollover Distribution, and the remainder of the Normal Retirement Benefit elected by the Participant in his DROP election, if any, shall be distributed as provided in Section 19.7. The distribution of the remainder of the Normal Retirement Benefit, if any, depends on the form of distribution elected by the Participant in his DROP election.

19.9 Service-Connected Death or Disability of a DROP Participant

Upon a service-connected death or a service-connected total disability of a DROP Participant, the Participant shall be terminated from the DROP as if the Participant had never participated in the DROP. The Participant shall forfeit the Participant's DROP Account, but he (or his Beneficiaries) shall be eligible to receive benefits under the Defined Benefit Plan as though the Participant never elected the DROP.

19.10 Re-Hire

A DROP Participant shall not return to regular employment with Employer. Once entering the DROP, the Participant is in the DROP until his Severance from Employment, at which time the Participant is retired. A Retiree may be re-hired by Employer and eligible to participate in the Defined Benefit Plan, subject to the provisions of Article 3. But a former DROP Participant who is rehired by Employer shall not be eligible to again participate in the DROP. A rehired Retiree who had not been a former DROP Participant may be eligible to enter the DROP if the Employee otherwise meets the eligibility requirements of Section 19.3. In such a case, the retirement benefit for purposes of credits to the DROP account shall be determined by reference to Article 16.

19.11 Eligible Domestic Relations Order

Unless an Eligible Domestic Relations Order states otherwise, DROP benefits are assumed not to be included in the division of a Participant's Accrued Benefit under the Defined Benefit Plan.

19.12 Section 415 Limits

For purposes of Section 415 of the Code, the DROP shall be a Defined Benefit Plan.

19.13 Regulations

The Board of Trustees shall, by regulation, provide for additional details of implementation and interpretation of this Article.

Signature

The City has signed the City of Wyoming Defined Benefit Plan this _____ day of _____, 2015.

CITY OF WYOMING

By_____

Its_____

Schedule A
to the
City of Wyoming
Defined Benefit Pension Plan

General Benefit Group

Section	**Provision**
2.6	Definition of Average Monthly Compensation "Average Monthly Compensation" means the monthly average of the Participant's Compensation earned during the 36 highest-paid consecutive months during the 60 months immediately preceding his Severance from Employment. For a Participant who has less than 36 consecutive months, "Average Monthly Compensation" means the monthly average of the Compensation earned prior to the Participant's Severance from Employment. "Average Monthly Compensation" shall exclude overtime paid to any Participant who retires on or after July 1, 2016. But, in order to prevent the impairment of any Participant's pension in violation of the Constitution of the State of Michigan, the Normal Retirement Benefit of a Participant who has a Severance from Employment on or after July 1, 2016 and before July 1, 2021 shall be the greater of (1) or (2) below, where: (1) Equals the Participant's Normal Retirement Benefit based on his or her Years of Credited Service as of June 30, 2016 multiplied by the applicable percentage of the Participant's Average Monthly Compensation (including overtime only for months prior to July 1, 2016) described in Section 5.2(b); or (2) Equals the sum of (A) and (B) below where: (A) Equals the Participant's Normal Retirement Benefit based on his or her Years of Credited Service as of June 30, 2016 multiplied by the applicable percentage of the Participant's Average Monthly Compensation (excluding overtime) described in Section 5.2(b) for Years of Credited Service earned prior to July 1, 2016; and (B) Equals the Participant's Normal Retirement Benefit based on his or her Years of Credited

Section	Provision
	Service earned after June 30, 2016 multiplied by the applicable percentage of the Participant's Average Monthly Compensation (excluding overtime) described in Section 5.2(b) for Years of Credited Service earned after June 30, 2016.
3.1	Eligibility to Participate A member of this Benefit Group whose initial Date of Employment is after February 6, 2006, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan. A Participant in the Defined Benefit Plan who elects to begin participation in the Defined Contribution Plan but does not elect to transfer his Accrued Benefit to the Defined Contribution Plan shall remain a Participant in the Defined Benefit Plan with respect to his frozen Accrued Benefit.
3.4	Election to Freeze Participation in Defined Benefit Plan and Participate in Defined Contribution Plan For the time period before the date specified in the Collective Bargaining Agreement with the Wyoming City Employees Union, members of the General Benefit Group may make an irrevocable election to cease accruing benefits under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan. The election must be made in accordance with the administrative rules established by the City, and shall be effective no later than the date specified in the applicable Collective Bargaining Agreement. If a Participant does not make a timely election to cease accruing benefits under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan, the Participant shall continue to participate in the Defined Benefit Plan. Transfer to Defined Contribution Plan A Participant who makes an election under Section 3.4 may also elect to have the lump sum Actuarial Equivalent of his Accrued Benefit as of the effective date of the election transferred to the Defined Contribution Plan as soon as administratively feasible after the date his participation in the Defined Benefit Plan ceases. The lump sum Actuarial Equivalent shall be calculated based on actuarial assumptions determined by the Board of Trustees after consultation with the Actuary. If a Participant is married on the date the election is made, the election shall be valid only if the Participant's Spouse consents

Section	Provision
	in writing to the election. The Spouse's written consent must be witnessed by a notary public.
5.1	Definition of Normal Retirement Age Normal Retirement Age means the Participant has attained age 60 and completed at least 10 Years of Credited Service.
5.2(b)	Benefit Formula The benefit formula is the Participant's Years of Credited Service multiplied by the following percentage of the Participant's Average Monthly Compensation:

Participant's Date of Retirement	Benefit Percentage
Before July 1, 2011	See Article IV of Chapter 58 of the City Code
July 1, 2011 through June 30, 2016	2.35
On or after July 1, 2016	2.35 for Years of Credited Service prior to July 1, 2016 and 1.95 for Years of Credited Service after June 30, 2016 unless the Participant makes the election described in Section 12.1

5.2(c)	Annual Pension Adjustment There is no annual pension adjustment.
6.1	Definition of Early Retirement Age Early retirement age means the Participant has attained age 55 and completed at least 10 Years of Credited Service.

Section	**Provision**
6.2	Amount of Early Retirement Benefit The reduction in a Participant's retirement benefit for payment before age 60 shall be two-tenths of one percent for each month before age 60 the pension is to be paid. For this purpose, a fraction of a month shall be considered a whole month. If the Participant has completed at least 25 Years of Credited Service and retires on or after July 1, 2016 but before age 60, the reduction shall be one-tenth of one percent for each month before age 60 that the pension is to be paid.
7.1	Service Requirement for Eligibility for a Temporary Disability Benefit The service requirement for a Temporary Disability Benefit is that the Participant has completed at least 10 Years of Credited Service.
7.6	Duty Disability - Special Rules No special rules apply to a Participant in the General Benefit Group who experiences a duty disability.
8.1(c)	Service Requirement for Eligibility for a Death Benefit The service requirement for eligibility for a death benefit is that the Participant has completed at least 10 Years of Credited Service.
9.1	Service Requirement for Eligibility for a Deferred Vested Benefit The service requirement for eligibility for Deferred Vested Benefit is that the Participant has completed at least 10 Years of Credited Service.
11.3	Coordination With Workers' Disability Compensation Benefits Benefits payable under the Defined Benefit Plan shall be fully coordinated (to the extent permitted by applicable law) with workers' disability compensation benefits. However, a Participant who has 25 Years of Credited Service or who has attained age 50 with 10 Years of Credited Service shall have benefits coordinated until the Participant reaches age 62 as follows: The Defined Benefit Plan benefit shall be paid first, then the workers' disability compensation benefit shall be payable to the extent the total combined benefit equals 95 percent of the Participant's net after-tax wages at the time the Participant becomes disabled. Upon attainment of age 62, coordination shall apply irrespective of the Participant's Years of Credited Service.
12.1	Accumulated Employee Contributions As a condition of continuing to have a 2.35% benefit percentage apply to Years of

Section	Provision
	Credited Service on or after July 1, 2016 under the Defined Benefit Plan, a Participant in the General Benefit Group must elect to contribute a specific percentage of his Compensation to the Defined Benefit Plan each year. The specified percentage is set forth in the applicable Collective Bargaining Agreement. The Participant must submit this election to the City no later than May 1, 2016 using a form provided by the City.
13.1	Compulsory Retirement Compulsory retirement shall be at age 70 unless prohibited by law.
19.3	Eligibility for the DROP Participants in the General Benefit Group are ineligible to participate in the DROP.

Schedule B
to the
City of Wyoming
Defined Benefit Pension Plan

Administrative and Supervisory Benefit Group

Section	**Provision**
2.6	Definition of Average Monthly Compensation Average Monthly Compensation means the monthly average of the Participant's Compensation earned during the 36 highest paid consecutive months. However, for a Participant who has less than 36 consecutive months, "Average Monthly Compensation" means the monthly average of the Compensation earned prior to his Severance from Employment.
3.1	Eligibility to Participate. A member of this Benefit Group whose initial Date of Employment is on or after September 6, 2005, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan.
3.4	Election to Freeze Participation in Defined Benefit Plan and Participate in Defined Contribution Plan For the time period before the date specified in the Collective Bargaining Agreement for the Administrative and Supervisory Benefit Group, members of this Benefit Group may make an irrevocable election to cease accruing benefits under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan. The election must be made in accordance with the administrative rules established by the City, and shall be effective no later than the date specified in the applicable Collective Bargaining Agreement. If a Participant does not make a timely election to cease accruing benefits under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan, the Participant shall continue to participate in the Defined Benefit Plan. Transfer to Defined Contribution Plan A Participant who makes an election under Section 3.4 may also elect to have the lump sum Actuarial Equivalent of his Accrued Benefit as of the effective date of the election transferred to the Defined Contribution Plan as soon as administratively feasible after the date his participation in the Defined Benefit Plan ceases. The

Section	Provision
	lump sum Actuarial Equivalent shall be calculated based on actuarial assumptions determined by the Board of Trustees after consultation with the Actuary. If a Participant is married on the date the election is made, the election shall be valid only if the Participant's Spouse consents in writing to the election. The Spouse's written consent must be witnessed by a notary public.
5.1	Definition of Normal Retirement Age Normal Retirement Age means the Participant has attained age 60 and completed at least 5 Years of Credited Service.
5.2(b)	Benefit Formula The benefit formula is the Participant's Years of Credited Service multiplied by the following percentage of the Participant's Average Monthly Compensation:

Participant's Date of Retirement	Benefit Percentage
Before July 1, 2011	See Article IV of Chapter 58 of the City Code
July 1, 2011 through June 30, 2016	2.35
On or after July 1, 2016	2.35 for Years of Credited Service prior to July 1, 2016 and 2.15 for Years of Credited Service after June 30, 2016 and before July 1, 2018 and 1.95 for Years of Credited Service after June 30, 2018 unless the Participant makes the election described in Section 12.1

Section	**Provision**
5.2(c)	Annual Pension Adjustment The Participant's monthly pension benefit shall be increased each January by 40 percent of the average annual increase in the CPI of Detroit and Chicago through October of the immediately preceding Calendar Year, up to a maximum annual pension increase of five percent. For purposes of this Section, "CPI" means the Consumer Price Index, as published by the U.S. Department of Labor, Bureau of Labor Statistics.
6.1	Definition of Early Retirement Age Early retirement age means the Participant has attained age 55 and completed at least 5 Years of Credited Service.
6.2	Amount of Early Retirement Benefit Effective for Participants who become members of this Benefit Group after July 1, 2007, the reduction in a Participant's retirement benefits for payment before Normal Retirement Age shall be two-tenths of one percent for each month before Normal Retirement Age the pension is to be paid, unless the Participant has at least 25 Years of Credited Service in which case no reduction applies. For this purpose, a fraction of a month shall be considered a whole month. No reduction applies for Participants who were members of this Benefit Group before July 1, 2007.
7.1	Service Requirement for Eligibility for a Temporary Disability Benefit The service requirement for eligibility for a Temporary Disability Benefit is that the Participant has completed at least 5 Years of Credited Service.
7.6	Duty Disability - Special Rules No special rules apply to a Participant in the Administrative and Supervisory Benefit Group who experiences a duty disability.
8.1(c)	Service Requirement for Eligibility for a Death Benefit The service requirement for eligibility for a death benefit is that the Participant has completed at least 5 Years of Credited Service.
9.1	Service Requirement for Eligibility for a Deferred Vested Benefit The service requirement for eligibility for a Deferred Vested Benefit is that the Participant has completed at least 5 Years of Credited Service.
11.3	Coordination With Workers' Disability Compensation Benefits Benefits payable under the Defined Benefit Plan shall be fully coordinated (to the extent permitted by applicable law) with

Section	Provision
	workers' disability compensation benefits. However, a Participant who has 25 Years of Credited Service or who has attained age 50 with 10 Years of Credited Service shall have benefits coordinated until the Participant reaches age 62 as follows: The Defined Benefit Plan benefit shall be paid first, then the workers' disability compensation benefit shall be payable to the extent the total combined benefit equals 95 percent of the Participant's net after-tax wages at the time the Participant becomes disabled. Upon attainment of age 62, full coordination shall again apply irrespective of the Participant's Years of Credited Service.
12.1	Accumulated Employee Contributions As a condition of continuing to have a 2.35% benefit percentage apply to Years of Credited Service on or after July 1, 2016 under the Defined Benefit Plan, a Participant in the Administrative and Supervisory Benefit Group must elect to contribute a specific percentage of his Compensation to the Defined Benefit Plan each year. The specified percentage is set forth in the applicable Collective Bargaining Agreement. The Participant must submit this election to the City no later than May 1, 2016 using a form provided by the City.
13.1	Compulsory Retirement Compulsory retirement is at age 70 unless prohibited by law.
19.3	Eligibility for the DROP Participants in the Administrative and Supervisory Benefit Group are ineligible for the DROP.

Schedule C
to the
City of Wyoming
Defined Benefit Pension Plan

Police Command Benefit Group

Section	**Provision**
2.6	Definition of Average Monthly Compensation Average Monthly Compensation means the monthly average of the Participant's Compensation earned during the 36 highest paid consecutive months during the 60 months immediately preceding his Severance from Employment. However, for a Participant who has less than 36 consecutive months, "Average Monthly Compensation" means the monthly average of the Compensation earned prior to his Severance from Employment.
3.1	Eligibility to Participate. A member of this Benefit Group whose initial Date of Employment is after February 20, 2006, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan.
5.1	Definition of Normal Retirement Age Normal Retirement Age means the Participant has attained age 50 and completed at least 10 Years of Credited Service.
5.2(b)	Benefit Formula The benefit formula is the Participant's Years of Credited Service, up to the maximum set forth in this Section, multiplied by the following percentage of the Participant's Average Monthly Compensation:

Participant's Date of Retirement	**Benefit Percentage**	**Maximum Number of Years of Credited Service**
Before July 1, 2011	See Article IV of Chapter 58 of the City Code	See Article IV of Chapter 58 of the City Code
July 1, 2011	2.70	30 (unlimited for the chief and deputy chief)

5.2(c)	Annual Pension Adjustment For each Participant who was a member of this Benefit Group on or before July 1, 2008, and

Section	Provision
	upon attaining age 60, the Participant's monthly pension benefit shall be increased each January by 40 percent of the average annual increase in the CPI of Detroit and Chicago through October of the immediately preceding Calendar Year, up to a maximum annual pension increase of 5 percent. For purposes of this Section, "CPI" means the Consumer Price Index, as published by the U.S. Department of Labor, Bureau of Statistics.
6.1	Definition of Early Retirement Age Participants in the Police Command Benefit Group are not eligible for an Early Retirement Benefit.
7.1	Service Requirement for Eligibility for a Temporary Disability Benefit The service requirement for a Temporary Disability Benefit is that the Participant has completed at least 10 Years of Credited Service.
7.6	Duty Disability - Special Rules The following special rules shall apply to a Participant who is a member of the Police Command Benefit Group who is applying for or receiving a Temporary Disability Benefit in a duty disability situation. (a) Definition of Total Disability "Total disability" or "Totally disabled" shall mean a total and permanent inability of the Participant to engage in the essential functions of his current employment position with Employer as a result of a physical or mental condition of the Participant. (b) Amount of Monthly Temporary Disability Pension Benefit In no event shall the amount of the Participant's monthly pension benefit be: (1) Less than 50 percent of the Participant's Average Monthly Compensation at the time of his total disability; or (2) More than 90 percent of the Participant's Average Monthly Compensation at the time of his total disability. (c) Conversion to Normal Retirement Benefit Upon attaining the minimum age requirement to be eligible for a Normal Retirement Benefit, the Participant shall receive a Normal Retirement Benefit as follows:

Section	**Provision**
	(1) The Participant's Normal Retirement Benefit shall be based upon the Participant's actual Years of Credited Service, plus the Participant shall receive Years of Credited Service for the period of time the Participant was receiving a Temporary Disability Benefit. (2) The Participant's Average Monthly Compensation shall mean the monthly average of the base earnings the Participant would have received during the 36 consecutive months immediately preceding his attainment of Normal Retirement Age if the Participant was actively employed in the job classification the Participant held with Employer immediately preceding his total disability. (3) The Participant's Normal Retirement Benefit shall be paid in the form determined under Article 10, and need not be the same form as the Participant's form of Temporary Disability Benefit. However, if a Participant makes an election to receive his Normal Retirement Benefit payable in a form which is different than the form of his Temporary Disability Benefit, the Board of Trustees shall make any adjustments necessary to ensure that the new election shall not require the Defined Benefit Plan to provide increased benefits to the Participant (determined on the basis of Actuarially Equivalent value).
8.1(c)	Service Requirement for Eligibility for a Death Benefit The service requirement for a death benefit is that the Participant has completed at least 10 Years of Credited Service.
9.1	Service Requirement for Eligibility for a Deferred Vested Benefit The service requirement for eligibility for a Deferred Vested Benefit is that Participant has completed at least 10 Years of Credited Service.
11.3	Coordination With Workers' Disability Compensation Benefits In computing the Participant's minimum and maximum pension benefit for purposes of this Section, any workers' disability compensation benefits paid to the Participant, any Social Security disability benefits paid to the Participant, and/or any compensation received by the Participant in any gainful employment shall not be considered (i.e., shall not be

Section	**Provision**
	coordinated with the Participant's monthly pension benefit or used to offset or reduce the Participant's monthly pension benefit.) But for those Participants who retire with a duty disability benefit on or after July 1, 2000, benefits payable under the Defined Benefit Plan shall be fully coordinated (to the extent permitted by applicable law) with workers' disability compensation benefits. However, a Participant who is receiving a duty disability pension shall have benefits coordinated until the Participant reaches age 50 as follows: The Defined Benefit Plan benefit shall be paid first, then the workers' disability compensation benefit shall be payable to the extent the total combined benefit equals 100 percent of the Participant's net after-tax wages at the time the Participant becomes disabled. Upon attainment of age 50, full coordination shall apply.
12.1	Accumulated Employee Contributions As a condition of participation in the Defined Benefit Plan, a Participant in the Police Command Benefit Group must contribute a specific percentage of his Compensation each year. The specified percentage is set forth in the currently effective Collective Bargaining Agreement for the Police Officers Labor Council Wyoming Command Division.
13.1	Compulsory Retirement Compulsory retirement shall be at age 57.
13.2	Permitted Continuation Permitted continuation shall be to age 63; or age 65 for the chief or deputy chief.
19.3	Eligibility for the DROP Participants in the Police Command Benefit Group shall be eligible to participate in the DROP as provided in Article 19.

Schedule D
to the
City of Wyoming
Defined Benefit Pension Plan

Police Nonsupervisory Benefit Group

Section	**Provision**
2.6	Definition of Average Monthly Compensation Average Monthly Compensation means the monthly average of the Participant's Compensation earned during the 36 highest paid consecutive months during the 60 months immediately preceding his Severance from Employment. However, for a Participant who has less than 36 consecutive months, "Average Monthly Compensation" means the monthly average of the Compensation earned prior to his Severance from Employment.
3.1	Eligibility to Participate. A member of this Benefit Group whose initial Date of Employment is after September 4, 2007, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan.
5.1	Definition of Normal Retirement Age Normal Retirement Age means the Participant has attained age 50 and completed at least 10 Years of Credited Service.
5.2(b)	Benefit Formula The benefit formula is the Participant's Years of Credited Service, up to the maximum set forth in this Section, multiplied by the following percentage of the Participant's Average Monthly Compensation:

Participant's Date of Retirement	**Benefit Percentage**	**Maximum Number of Years of Credited Service**
Before July 1, 2011	See Article IV of Chapter 58 of the City Code	See Article IV of Chapter 58 of the City Code
July 1, 2011	2.70	30

Section	**Provision**
5.2(c)	Annual Pension Adjustment There shall be no annual pension adjustment.
6.1	Definition of Early Retirement Age Participants in the Police Nonsupervisory Benefit Group are not eligible for an Early Retirement Benefit.
7.1	Service Requirement for Eligibility for a Temporary Disability Benefit The service requirement for a Temporary Disability Benefit is that the Participant has completed at least 10 Years of Credited Service.
7.6	Duty Disability - Special Rules The following special rules shall apply to a Participant who is a member of the Police Nonsupervisory Benefit Group who is applying for or receiving a Temporary Disability Benefit in a duty disability situation. (a) Definition of Total Disability "Total disability" or "Totally disabled" shall mean a total and permanent inability of the Participant to engage in the essential functions of his current employment position with Employer as a result of a physical or mental condition of the Participant. (b) Amount of Monthly Temporary Disability Pension Benefit In no event shall the amount of the Participant's monthly pension benefit be: (1) Less than 50 percent of the Participant's Average Monthly Compensation at the time of his total disability; or (2) More than 90 percent of the Participant's Average Monthly Compensation at the time of his total disability. (c) Conversion to Normal Retirement Benefit Upon attaining the minimum age requirement to be eligible for a Normal Retirement Benefit, the Participant shall receive a Normal Retirement Benefit as follows: (1) The Participant's Normal Retirement Benefit shall be based upon the Participant's actual Years of Credited Service, plus the Participant shall receive Years of

Section	**Provision**
	Credited Service for the period of time the Participant was receiving a Temporary Disability Benefit. (2) The Participant's Average Monthly Compensation shall mean the monthly average of the base earnings the Participant would have received during the 36 consecutive months immediately preceding his attainment of Normal Retirement Age if the Participant was actively employed in the job classification the Participant held with Employer immediately preceding his total disability. (3) The Participant's Normal Retirement Benefit shall be paid in the form determined under Article 10, and need not be the same form as the Participant's form of Temporary Disability Benefit. However, if a Participant makes an election to receive his Normal Retirement Benefit payable in a form which is different than the form of his Temporary Disability Benefit, the Board of Trustees shall make any adjustments necessary to ensure that the new election shall not require the Defined Benefit Plan to provide increased benefits to the Participant (determined on the basis of Actuarially Equivalent value).
8.1(c)	Service Requirement for Eligibility for a Death Benefit The service requirement for eligibility for a death benefit is that the Participant has completed at least 10 Years of Credited Service.
9.1	Service Requirement for Eligibility for a Deferred Vested Benefit The service requirement for eligibility for a Deferred Vested Benefit is that the Participant has completed at least 10 Years of Credited Service.
11.3	Coordination With Workers' Disability Compensation Benefits In computing the Participant's minimum and maximum pension benefit for purposes of this Section, any workers' disability compensation benefits, paid to the Participant, any Social Security disability benefits paid to the Participant, and/or any compensation received by the Participant in any gainful employment shall not be considered (i.e., shall not be coordinated with the Participant's monthly pension benefit or used to offset or reduce the Participant's monthly pension benefit.)

Section	**Provision**
	But for those Participants who retire with a duty disability benefit on or after July 1, 2000, benefits payable under the Defined Benefit Plan shall be fully coordinated (to the extent permitted by applicable law) with workers' disability compensation benefits. However, a Participant who is receiving a duty disability pension shall have benefits coordinated until the Participant reaches age 50 as follows: The Defined Benefit Plan benefit shall be paid first, then the workers' disability compensation benefit shall be payable to the extent the total combined benefit equals 100 percent of the Participant's net after-tax wages at the time the Participant becomes disabled. Upon attainment of age 50, full coordination shall apply.
12.1	Accumulated Employee Contributions As a condition of participation in the Defined Benefit Plan, a Participant in the Police Nonsupervisory Benefit Group must contribute a specific percentage of his Compensation each year. The specified percentage is set forth in the currently effective Collective Bargaining Agreement for the Police Officers Labor Council Wyoming Division.
13.1	Compulsory Retirement Compulsory retirement shall be at age 57.
13.2	Permitted Continuation Permitted continuation shall be to age 63.
19.3	Eligibility for the DROP Participants in the Police Nonsupervisory Benefit Group are ineligible to participate in the DROP.

Schedule E
to the
City of Wyoming
Defined Benefit Pension Plan

Police ECO Benefit Group

Section	**Provision**
2.6	Definition of Average Monthly Compensation Average Monthly Compensation means the monthly average of the Participant's Compensation earned during the 36 highest paid consecutive months during the 60 months immediately preceding his Severance from Employment. However, for a Participant who has less than 36 consecutive months, "Average Monthly Compensation" means the monthly average of the Compensation earned prior to his Severance from Employment.
3.1	Eligibility to Participate. A member of this Benefit Group whose initial Date of Employment is after November 7, 2005, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan.
5.1	Definition of Normal Retirement Age Normal Retirement Age means the Participant has attained age 55 and completed at least 10 Years of Credited Service.
5.2(b)	Benefit Formula The benefit formula shall be the Participant's Years of Credited Service multiplied by the following percentage of the Participant's Average Monthly Compensation:

Participant's Date of Retirement	**Benefit Percentage**
Before July 1 2011	See Article IV of Chapter 58 of the City Code
July 1, 2011	2.35

5.2(c)	Annual Pension Adjustment There shall be no annual pension adjustment.

Section	**Provision**
6.1	Definition of Early Retirement Age Participants in the Police ECO Benefit Group are not eligible for an Early Retirement Benefit.
7.1	Service Requirement for Eligibility for a Temporary Disability Benefit The service requirement eligibility for a Temporary Disability Benefit is that the Participant has completed at least 10 Years of Credited Service.
7.6	Duty Disability - Special Rules No special rules apply to Participants in the Police ECO Benefit Group who experience a duty disability.
8.1(c)	Service Requirement for Eligibility for a Death Benefit The service requirement for eligibility for a death benefit is that the Participant has completed at least 10 Years of Credited Service.
9.1	Service Requirement for Eligibility for a Deferred Vested Benefit The service requirement for eligibility for a Deferred Vested Benefit is that the Participant has completed at least 10 Years of Credited Service.
11.3	Coordination With Workers' Disability Compensation Benefits Benefits payable under the Defined Benefit Plan shall be fully coordinated (to the extent permitted by applicable law) with workers' disability compensation benefits. However, a Participant who is receiving a duty disability pension shall have benefits coordinated until the Participant reaches age 50 as follows: The Defined Benefit Plan benefit shall be paid first, then the workers' disability compensation benefit shall be payable to the extent the total combined benefit equals 100 percent of the Participant's net after-tax wages at the time the Participant becomes disabled. Upon attainment of age 50, full coordination shall apply.
19.3	Eligibility for the DROP Participants in the Police ECO Benefit Group are ineligible for the DROP.

Schedule F
to the
City of Wyoming
Defined Benefit Pension Plan

Fire Benefit Group

Section	**Provision**
2.6	Definition of Average Monthly Compensation Average Monthly Compensation means the monthly average of the Participant's Compensation earned during the 36 highest paid consecutive months during the 60 months immediately preceding his Severance from Employment. However, for a Participant who has less than 36 consecutive months, "Average Monthly Compensation" means the monthly average of the Compensation earned prior to his Severance from Employment.
3.1	Eligibility to Participate A member of this Benefit Group whose initial Date of Employment is on or after September 6, 2005, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan.
5.1	Definition of Normal Retirement Age Normal Retirement Age means the Participant has attained age 50 and completed at least 10 Years of Credited Service.
5.2(b)	Benefit Formula The benefit formula is the Participant's Years of Credited Service, up to the maximum set for in this Section, multiplied by the following percentage of the Participant's Average Monthly Compensation:

Participant's Date of Retirement	**Benefit Percentage**	**Maximum Number of Years of Credited Service**
Before July 1, 2011	See Article IV of Chapter 58 of the City Code	See Article IV of Chapter 58 of the City Code
July 1, 2011	2.70	30

Section	**Provision**
5.2(c)	Annual Pension Adjustment There shall be no annual pension adjustment.
6.1	Definition of Early Retirement Age Participants in the Fire Benefit Group are not eligible for an Early Retirement Benefit.
7.1	Service Requirement for Eligibility for a Temporary Disability Benefit The service requirement for a Temporary Disability Benefit is that the Participant has completed at least 10 Years of Credited Service.
7.6	Duty Disability - Special Rules The following special rules shall apply to a Participant who is a member of the Fire Benefit Group who applies for a Temporary Disability Benefit in a duty disability situation: (a) Definition of Total Disability "Total disability" or "Totally disabled" shall mean a total and permanent inability of the Participant to engage in the essential functions of his current employment position with Employer as a result of a physical or mental condition of the Participant. (b) Amount of Monthly Temporary Disability Pension Benefit In no event shall the amount of the Participant's monthly pension benefit be: (1) Less than 50 percent of the Participant's Average Monthly Compensation at the time of his total disability; or (2) More than 90 percent of the Participant's Average Monthly Compensation at the time of his total disability. (c) Conversion to Normal Retirement Benefit Upon attaining the minimum age requirement to be eligible for a Normal Retirement Benefit, the Participant shall receive a Normal Retirement Benefit as follows: (1) The Participant's Normal Retirement Benefit shall be based upon the Participant's actual Years of Credited Service, plus the Participant shall receive Years of Credited Service for the period of time the Participant was receiving a Temporary Disability Benefit.

Section	**Provision**
	(2) The Participant's Average Monthly Compensation shall mean the monthly average of the base earnings the Participant would have received during the 36 consecutive months immediately preceding his attainment of Normal Retirement Age if the Participant was actively employed in the job classification the Participant held with Employer immediately preceding his total disability.
	(3) The Participant's Normal Retirement Benefit shall be paid in the form determined under Article 10, and need not be the same form as the Participant's form of Temporary Disability Benefit. However, if a Participant makes an election to receive his Normal Retirement Benefit payable in a form which is different than the form of his Temporary Disability Benefit, the Board of Trustees shall make any adjustments necessary to ensure that the new election shall not require the Defined Benefit Plan to provide increased benefits to the Participant (determined on the basis of Actuarially Equivalent value).
8.1(c)	Service Requirement for Eligibility for a Death Benefit The service requirement for eligibility for a death benefit is that the Participant has completed at least 10 Years of Credited Service.
9.1	Service Requirement for Eligibility for a Deferred Vested Benefit The service requirement for a Deferred Vested Benefit is that the Participant has completed at least 10 Years of Credited Service.
11.3	Coordination With Workers' Disability Compensation Benefits Temporary Disability Benefits payable under the Defined Benefit Plan shall be fully coordinated (to the extent permitted by applicable law) with workers' disability compensation benefits.
12.1	Accumulated Employee Contributions As a condition of participation in the Defined Benefit Plan, a Participant in the Fire Benefit Group must contribute a specific percentage of his Compensation each year. The specified percentage is set forth in the currently effective Collective Bargaining Agreement for the Wyoming Fire Fighters Association.

Section	**Provision**
13.1	Compulsory Retirement Compulsory retirement shall be at age 60.
13.2	Permitted Continuation Permitted continuation shall be up to age 63; age 65 if the chief or deputy chief.
19.3	Eligibility for the DROP Participants in the Fire Benefit Group are ineligible for the DROP.

Schedule G
to the
City of Wyoming
Defined Benefit Pension Plan

Administrative Contract Group

The provisions of Schedule B shall apply to members of this Benefit Group.

CITY OF WYOMING

DEFINED BENEFIT PLAN

(Restated effective as of July 1, ~~2011~~2015)

Prepared by:
Miller Johnson
250 Monroe Avenue, N.W., Suite 800
P.O. Box 306
Grand Rapids, MI 49501-0306
(616) 831-1700

INDEX

Page

Article 1 Establishment of the Defined Benefit Plan 1

1.1 History of the Defined Benefit Plan 1
1.2 This Document 1
1.3 Organization of the Plan 1
1.4 Special Effective Dates 1
1.5 Effect on Prior Employees 2

Article 2 Definitions 2

Article 3 Participation ..... ~~12~~11

3.1 Eligible Employees ..... ~~12~~11
3.2 Date of Participation 12
3.3 Transfer Between Benefit Groups 12
3.4 Termination of Participation ..... ~~13~~12
3.5 Participation After Reemployment ..... ~~13~~12

Article 4 Service 13

4.1 Credited Service 13
4.2 Military Service 13
4.3 Recrediting of Service After Reemployment 14
4.4 Transferred Employees ..... ~~15~~14

Article 5 Normal Retirement Benefit ..... ~~15~~14

5.1 Eligibility for Benefit ..... ~~15~~14
5.2 Amount of Benefit ..... ~~15~~14
5.3 Commencement of Benefit 15
5.4 Form of Payment Used in Determining Amount of Benefit ..... ~~16~~15
5.5 Adjusted Amount for Late Payment ..... ~~16~~15
5.6 Form of Benefit ..... ~~16~~15

Article 6 Early Retirement Benefit 16

6.1 Eligibility for Benefit 16
6.2 Amount of Benefit 16
6.3 Commencement of Benefit 16
6.4 Form of Payment Used in Determining Amount of Benefit ..... ~~17~~16
6.5 Adjusted Amount for Late Payment ..... ~~17~~16
6.6 Form of Benefit ..... ~~17~~16

Article 7 Temporary Disability Benefit 17

7.1 Eligibility for Benefit 17
7.2 Amount of Benefit ..... ~~18~~17
7.3 Commencement of Benefit ..... ~~18~~17

Page

7.4 Form of Payment Used in Determining Amount of Benefit 18
7.5 Form of Benefit 18
7.6 Duty Disability - Special Rules 18
7.7 Continuation Subject to Reexamination and Return to Employment Rules ~~19~~18

Article 8 Death Benefit 19

8.1 ~~Actively Employed Participants~~ ~~19~~Spousal Death Benefit 19
8.2 Non-Spouse Death Benefit 19
8.3 Amount ~~and Form~~ ~~20~~of Death Benefit 19
~~8.3~~8.4 Commencement ~~20~~
~~8.4~~ ~~Vested Terminated Participants~~ of Death Benefit 20
8.5 Form of Death Benefit 20
8.6 Duty Death - Special Rules 20
~~8.6~~ ~~Elective~~8.7 Non-Spouse Beneficiary ~~Designation~~ 21
~~8.7~~8.8 Rollover by Non-Spouse Beneficiary 22

Article 9 Deferred Vested Benefit 22

9.1 Eligibility for Benefit 22
9.2 Amount of Benefit 22
9.3 Commencement of Benefit 22
9.4 Form of Payment Used in Determining Amount of Benefit ~~23~~22
9.5 Adjusted Amount for Late Payment 23
9.6 Form of Benefit 23

Article 10 Forms of Payment 23

10.1 Application for Pension Benefits 23
10.2 Automatic Form of Benefit Payment 23
10.3 Optional Forms of Benefit Payment 24
10.4 Eligible Rollover Distributions 25
10.5 Minimum Distribution Requirements 27
10.6 Lost Participants and Uncashed Benefit Checks 33

Article 11 Restrictions on Pensions ~~33~~34

11.1 No Duplication of Benefits ~~33~~34
11.2 Limit on Annual Benefits ~~33~~34
11.3 Coordination with Workers' Disability Compensation Benefits ~~35~~36

Article 12 Accumulated Employee Contributions ~~35~~36

12.1 Accumulated Employee Contributions ~~35~~36
12.2 Distribution ~~35~~36
12.3 Termination of Pension; Residual Payment ~~36~~37
12.4 Reserve ~~36~~37

Page

Article 13 Compulsory Retirement ~~36~~37

13.1 General Rule ~~36~~37
13.2 Permitted Continuation ~~36~~37

Article 14 Administration ~~37~~38

14.1 Establishment of Board of Trustees ~~37~~38
14.2 Term of Office; Vacancy ~~37~~39
14.3 Officers and Administrative Services ~~38~~39
14.4 Powers of Board of Trustees ~~38~~40
14.5 Ability to Delegate Authority ~~39~~41
14.6 Indemnification ~~39~~41
14.7 Investment of Defined Benefit Plan Assets ~~40~~41
14.8 Standard of Care ~~40~~41
14.9 Employment of Agents by Board of Trustees ~~40~~41
14.10 Appeal Procedure ~~40~~42
14.11 Compensation ~~41~~43

Article 15 Defined Benefit Plan Funding ~~41~~43

15.1 Reserve for Retired Benefit Payments ~~41~~43
15.2 Reserve for Employer Contributions ~~42~~43
15.3 Reserve for Undistributed Investment Income ~~42~~44
15.4 Allowance of Interest and Rates of Interest ~~42~~44
15.5 Method of Making Payments ~~43~~44
15.6 Assets not Segregated ~~43~~44

Article 16 Rights of Participants ~~43~~44

16.1 Right to Rehire Retirees ~~43~~44
16.2 No Employment Rights ~~44~~45
16.3 No Participant Interest in Defined Benefit Plan ~~44~~45
16.4 Spendthrift Provision ~~44~~45

Article 17 Defined Benefit Plan Amendment and Termination ~~45~~46

17.1 Amendment ~~45~~46
17.2 Termination ~~45~~46
17.3 Partial Termination ~~45~~46
17.4 Distribution Upon Termination ~~45~~47
17.5 Method of Distribution ~~45~~47
17.6 Reversion to Employer ~~46~~47

Article 18 Miscellaneous Provisions ~~46~~47

18.1 Correction of Errors ~~46~~47
18.2 Subrogation ~~46~~47
18.3 Age ~~46~~47

Page

18.4 Uniformity of Treatment ~~46~~48
18.5 Construction ~~46~~48
18.6 Governing Law ~~46~~48
18.7 Notice and Elections ~~47~~48
18.8 Collective Bargaining Agreements ~~47~~48

Article 19 Deferred Retirement Option Defined Benefit Plan ("DROP") ~~47~~48

19.1 Definitions ~~47~~48
19.2 Basic Concept of the DROP ~~47~~49
19.3 Eligibility ~~48~~49
19.4 Election to Participate in the DROP ~~48~~50
19.5 Credits to a DROP Participant's DROP Account ~~49~~50
19.6 Severance From Employment at Conclusion of DROP Period ~~49~~50
19.7 Distribution of Benefits at Conclusion of DROP Period ~~49~~51
19.8 Death Before Distribution of Benefits ~~50~~51
19.9 Service-Connected Death or Disability of a DROP Participant ~~50~~51
19.10 Re-Hire ~~50~~51
19.11 Eligible Domestic Relations Order ~~50~~51
19.12 Section 415 Limits ~~50~~52
19.13 Regulations ~~50~~52

Signature ~~51~~52

Schedule A ~~52~~53

Schedule B ~~55~~58

Schedule C ~~58~~62

Schedule D ~~62~~66

Schedule E ~~66~~70

Schedule F ~~69~~72

Schedule G ~~73~~76

CITY OF WYOMING

DEFINED BENEFIT PLAN

Article 1

Establishment of the Defined Benefit Plan

1.1 History of the Defined Benefit Plan

The City established the Retirement System effective as of October 1, 1962, for the purpose of providing retirement benefits to Employees eligible under the terms and conditions of the Retirement System. The Retirement System was a defined benefit pension plan. Effective as of September 5, 2005, the City revised the Retirement System by adopting a defined contribution plan. The Defined Benefit Plan and the Defined Contribution Plan together comprise the Retirement System.

1.2 This Document

By this document the City is amending and restating the Defined Benefit Plan effective July 1, ~~2011.~~2015. The amended and restated Defined Benefit Plan is intended to meet the requirements of Sections 401(a) and 501(a) of the Code which are applicable to qualified retirement plans established by governmental employers.

1.3 Organization of the Plan

The Defined Benefit Plan applies to Employees in various Benefit Groups. The provisions of the Plan which apply to a specific Benefit Group are called a Sub-Plan.

The initial portion of the Plan, called the Basic Provisions, applies to all Participants. The Schedules, which are attached to the initial portion of the Plan, set forth the terms and conditions which apply to each Benefit Group. The specific Defined Benefit Plan provisions applicable to each Benefit Group are set forth in the applicable Schedule for that Benefit Group, except as otherwise provided in the applicable Collective Bargaining Agreement (in the case of a Participant who is a member of a Union) or in the applicable employment agreement (in the case of a Participant who is not a member of a Union). For each Benefit Group, the Sub-Plan consists of the Basic Provisions and the applicable Schedule.

1.4 Special Effective Dates

Although the amended and restated Defined Benefit Plan is generally effective as of July 1, ~~2011,~~2015, certain provisions may have different effective dates in order to comply with federal laws and regulations. Each special effective date is stated in the Defined Benefit Plan provision to which it relates.

1.5 Effect on Prior Employees

A Participant who has a Severance from Employment before the effective date of the amended and restated Defined Benefit Plan (or the effective date of any specific provision having a special effective date) shall have his rights and benefits determined under the Defined Benefit Plan provisions in effect when his Severance from Employment occurred, except as specifically stated in the amended and restated Defined Benefit Plan.

Article 2

Definitions

The following words, terms and phrases, shall have the meanings ascribed to them in this Article, except where the context clearly indicates a different meaning. All references to specific Articles or Sections shall refer to Articles or Sections of the Defined Benefit Plan unless otherwise stated.

2.1 Accrued Benefits

"Accrued Benefit" means the pension benefit earned by a Participant as of a particular date. A Participant's Accrued Benefit shall be computed in the same manner as a Normal Retirement Benefit, based on the Participant's Years of Credited Service, Average Monthly Compensation, Benefit Group, and the benefit rates in effect as of the following date:

(a) If the Participant has had a Severance from Employment, the date specified in the Defined Benefit Plan for determining the Accrued Benefit, based on the type of benefit for which the Participant is eligible; or

(b) If the Participant remains employed by Employer, the date as of which the calculation is being made.

2.2 Accumulated Employee Contribution

"Accumulated Employee Contributions" means the sum of all amounts credited to a Participant's individual account in the reserve for Accumulated Employee Contributions.

2.3 Actuarially Equivalent or Actuarial Equivalent

"Actuarially Equivalent" or "Actuarial Equivalent" means equality in value of the aggregate amount of pension benefits to be received under different forms of payment. ~~Actuarially Equivalent benefits shall be determined based on the following actuarial assumptions:~~

~~**(a)** If a Participant's benefits are paid in a single lump sum payment during a Plan Year the Actuarial Equivalent of a single life annuity shall be equal to the amount determined by using the applicable mortality table and the applicable interest rate under Section 417(e)(3) of the Code for that Plan Year, as amended by the Pension Protection Act of 2006.~~

~~**(1)** The "applicable mortality table" means the Section 417(e)(3) mortality table prescribed by the Secretary of Treasury for the Plan Year of the distribution.~~

~~**(2)** The "applicable interest rate" means the annual rate of interest determined under Section 417(e)(3) of the Code for the month before the Plan Year in which the distribution is made.~~**(b)** ~~For all other purposes under the Defined Benefit Plan,~~ Actuarial Equivalent benefits shall be based upon the following:

Interest Rate	7.5% per year
Mortality	1971 group annuity mortality table set back zero years for men and five years for women.

Application of these assumptions to the computation of benefits payable under the Defined Benefit Plan shall be made in a uniform and consistent manner with respect to all Participants in similar circumstances. Actuarial assumptions may be changed by the Board of Trustees based on the recommendation of the Actuary. Any change to the actuarial assumptions will be reflected in an amendment to the Plan or minutes of a Board meeting.

2.4 Actuary

"Actuary" means the individual actuary or firm of actuaries selected by the ~~City~~Board of Trustees to provide actuarial services in connection with the administration of the Defined Benefit Plan. The individual actuary or a member of the actuarial firm shall be a member of the American Academy of Actuaries or shall have demonstrated an educational background necessary for the practice of actuarial science and have at least five years of relevant pension actuarial experience.

2.5 Annuity Starting Date

"Annuity Starting Date" means the first day or the first period for which an amount is to be paid as an annuity or other form under Article 10. It is the first day as of which an amount is to be paid, not the actual date of payment.

2.6 Average Monthly Compensation

"Average Monthly Compensation" means Compensation used in determining a Participant's or Vested Terminated Participant's Accrued Benefit. A Participant's or Vested Terminated Participant's Average Monthly Compensation is described in the Schedule that applies to his Benefit Group.

2.7 Basic Provisions

"Basic Provisions" are the provisions of the Defined Benefit Plan that apply to all Participants and Vested Terminated Participants. The Basic Provisions are the terms and conditions of the Defined Benefit Plan other than the Schedules.

For purposes of this definition, an Employee is considered to be a "member" of a Union if the Employee is ~~an actual member of that Union or if the Employee pays the service fees of~~included in the bargaining unit represented by that Union.

The specific Defined Benefit Plan provisions applicable to each Benefit Group are set forth in the applicable Schedule for that Benefit Group, except as otherwise provided in the applicable Collective Bargaining Agreement (in the case of a Participant who is a member of a Union) or in the applicable employment agreement (in the case of a Participant who is not a member of a Union). Age and service conditions for benefit eligibility shall be those applicable to the Participant's Benefit Group at the time of his Severance from Employment.

2.10 Board of Trustees

"Board of Trustees" or "Board" means the governing body of the Retirement System which is described in Article 14.

2.11 Calendar Year

"Calendar Year" means the 12-consecutive month period beginning on January 1 and ending on the following December 31.

2.12 City

"City" means the City of Wyoming, Michigan.

2.13 City Code

"City Code" means the City of Wyoming Code of Ordinances of 1997, as amended.

2.14 Code

"Code" means the Internal Revenue Code of 1986, as amended, including any applicable regulations.

2.15 Collective Bargaining Agreement

"Collective Bargaining Agreement" means the currently effective collective bargaining agreement between Employer and a Union, provided retirement benefits were the subject of good faith bargaining.

2.16 Compensation

"Compensation" means base salary or wages, for regular hours worked including annual payments for dual trained Employees, longevity pay, awards, cost-of-living allowances, salary or wages while absent from work on account of illness (including workers' compensation), overtime pay, shift premiums, and salary or wages for vacation or holiday time taken or worked, Deemed Section 125 Compensation, ~~and~~ pay reduction contributions to a qualified transportation

fringe benefit plan under Section 132(f) of the Code or to an eligible deferred compensation plan under Section 457(b) of the Code and any Differential Wage Payments. For a Participant who is receiving workers' compensation benefits and a differential payment equal to the difference between his net salary or wage and workers' compensation benefits, "Compensation" also includes the workers' compensation benefit and the differential payment. Compensation shall not include any remuneration or reimbursement not specifically stated above, including, but not limited to, pay for performance bonuses, cleaning, clothing and food allowances, payments made at the time of Severance from Employment for unused sick leave, accrued vacation time and other severance pay, and amounts received for opting-out of Employer-provided health insurance.

Compensation of each Participant in a Plan Year shall be limited to the maximum amount permitted by Section 401(a)(17) of the Code (the "dollar limit"). The dollar limit for the Plan Year that begins in ~~2011~~2015 is $~~245,000.~~265,000. The dollar limit shall be increased in accordance with Section 401(a)(17)(B) of the Code.

~~However, under Treas. Reg. § 1.401(a)(17)-1(d)(4), the dollar limit shall not apply to a Participant to the extent that the application of the dollar limit would reduce the amount of Compensation taken into account below the amount that was allowed to be taken into account under the Defined Benefit Plan as in effect on July 1, 1993.~~

2.17 Date of Employment

"Date of Employment" means the date on which an Employee performs his first Hour of Service for Employer. However, see Section 3.5 for the Date of Employment of certain reemployed Employees.

2.18 Deemed Section 125 Compensation

"Deemed Section 125 Compensation" means a Participant's pre-tax contributions to a cafeteria plan under Section 125 of the Code in the following situation:

(a) The Participant is required to make pre-tax contributions towards the cost of health coverage made available by Employer; and

(b) The Participant is permitted to waive health coverage made available by Employer only if the Participant certifies that the Participant has other health coverage; and

(c) The Participant does not have other health coverage available and, as a result, is required to elect health coverage made available by Employer; and

(d) Employer does not request or collect information regarding the Participant's other health coverage during the health plan's enrollment process.

2.19 Deferred Vested Benefit

"Deferred Vested Benefit" means the retirement benefit provided to a Participant or Vested Terminated Participant who qualifies and elects to receive benefits under Article 9.

2.20 Defined Benefit Plan

"Defined Benefit Plan" means the City of Wyoming Defined Benefit Plan, as described in this document.

2.21 Defined Contribution Plan

"Defined Contribution Plan" means the City of Wyoming Defined Contribution Plan.

2.22 Differential Wage Payment

"Differential Wage Payment" means a payment under Section 3401(h) of the Code that is paid to a Participant during any period when the Participant is performing Qualified Military Service while on active duty for more than 30 days.

2.23 ~~2.22~~ Early Retirement Benefit

"Early Retirement Benefit" means the retirement benefit provided to a Participant who qualifies and elects to receive benefits under Article 6.

2.24 ~~2.23~~ Early Retirement Date

"Early Retirement Date" means the first day after a Participant attains early retirement age under Article 6 and has a Severance from Employment.

2.25 ~~2.24~~ Eligible Domestic Relations Order

"Eligible Domestic Relations Order" means an eligible domestic relations order under MCL 38.1701 et. seq. The attorney for the Board of Trustees shall determine whether a judicial order which requires payment of Defined Benefit Plan benefits to an alternate payee is an Eligible Domestic Relations Order.

2.26 ~~2.25~~ Employee

"Employee" means any person who is on Employer's payroll and is treated by Employer for tax purposes as Employer's common law employee. Employee also means any Leased Employee of Employer deemed to be an Employee of Employer under Sections 414(n) or (o) of the Code.

2.27 ~~2.26~~ Employer

"Employer" means the City, the 62A District Court and the Wyoming Housing Commission.

2.28 ~~2.27~~ Hour of Service

"Hour of Service" means:

(a) Each hour for which an Employee is paid, or entitled to be paid, by Employer for the performance of duties for Employer during the applicable computation period.

(b) Each hour for which an Employee is directly or indirectly paid, or entitled to be paid, by Employer an amount equal to 100 percent of the Employee's regular Compensation, but for which no duties are performed (whether or not the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty or Employer-approved leave of absence.

(c) If an Employee has an authorized leave of absence or a Severance from Employment because of Qualified Military Service, the Employee shall be credited with Hours of Service for the hours the Employee would have been scheduled to work during the Period of Qualified Military Service, provided the Employee applies for, and resumes, employment with Employer within the time limits established by USERRA. An Employee shall receive credit for Hours of Service under this provision only to the extent required by USERRA (or any successor law).

An Employee for whom Employer does not maintain a record of the number of hours worked will be credited with the number of Hours of Service he is regularly scheduled to work for each day during which he would otherwise be credited with at least one Hour of Service.

Any Hours of Service for which an Employee is paid overtime shall be credited on the basis of the actual hours worked and not the hours paid. The payroll and other records of Employer shall be used to determine an Employee's Hours of Service.

2.29 ~~2.28~~ Leased Employee

"Leased Employee" means any person who is not a common-law employee of Employer and who performs services for Employer under the following circumstances:

(a) The services are pursuant to an agreement between a leasing organization and Employer;

(b) The person performs the services for Employer on a substantially full-time basis for at least one year; and

(c) The services are performed under the primary direction and control of Employer.

A Leased Employee shall not be considered an Employee of Employer if:

(a) The Leased Employee is covered by a money purchase pension plan providing:

(1) A nonintegrated employer contribution equal to at least 10 percent of the Leased Employee's Compensation determined under Section 415 of the Code, plus any pay reduction contributions under Sections 125, 402(e)(3), 402(h)(1)(B) or 403(b) of the Code.

(2) Immediate participation; and

(3) Full and immediate vesting; and

(b) Leased Employees do not constitute more than 20 percent of Employer's "nonhighly compensated work force," as defined in Section 414(n)(5)(C)(ii) of the Code.

2.30 ~~2.29~~ Normal Retirement Age

"Normal Retirement Age" means the age described in the Schedule that applies to the Participant's Benefit Group.

2.31 ~~2.30~~ Normal Retirement Benefit

"Normal Retirement Benefit" means the retirement benefit provided to a Participant or Vested Terminated Participant who qualifies for and elects to receive benefits under Article 5.

2.32 ~~2.31~~ Normal Retirement Date

"Normal Retirement Date" means the first day after a Participant attains Normal Retirement Age and has a Severance from Employment. But for a DROP Participant, "Normal Retirement Date" means the Participant's DROP Entry Date.

2.33 ~~2.32~~ Participant

"Participant" means an Employee who has met the requirements for participation under Article 3 and who is or may become eligible to receive a benefit from the Defined Benefit Plan or whose Beneficiary may be eligible to receive a benefit from the Defined Benefit Plan.

2.34 ~~2.33~~ Period of Qualified Military Service

"Period of Qualified Military Service" means the period of time an Employee is absent from employment where the absence is necessitated by the Employee's performance of Qualified Military Service.

2.35 Plan Administrator

"Plan Administrator" means the named fiduciary responsible for the operation and administration of the Defined Benefit Plan. The Board of Trustees shall be the Plan Administrator.

2.36 ~~2.34~~ Plan Year

"Plan Year" means the 12-consecutive-month period beginning on July 1 and ending on the following June 30.

2.37 ~~2.35~~ Qualified Military Service

"Qualified Military Service" means ~~the performance of duty on a voluntary or involuntary basis in a uniformed service under competent authority by an individual who~~qualified military service under Section 414(u)(5) of the Code. An individual is performing Qualified Military Service only if the individual is entitled to reemployment rights under USERRA. ~~Qualified Military Service includes:~~

~~**(a)** Active duty.~~

~~**(b)** Active and inactive duty training.~~

~~**(c)** Full-time National Guard duty under a federal statute.~~

~~**(d)** A period for which a person is absent from a position of employment for the purpose of an examination to determine the fitness of the person to perform any such duty.~~

~~**(e)** A period for which a person is absent to perform funeral honors duty as authorized under 10 U.S.C. 12503 or 32 U.S.C. 115.~~

~~**(f)** Service as an intermittent disaster response appointee upon activation of the National Disaster Medical System or as a Participant in an authorized training program under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002.~~

2.38 ~~2.36~~ Qualified Plan

"Qualified Plan" means a retirement plan meeting the requirements of Sections 401(a) and 501(a) of the Code.

2.39 ~~2.37~~ Retiree

"Retiree" means a former Employee who is receiving a pension benefit from the Defined Benefit Plan or an Employee who has ceased performing services for Employer who is receiving a disability benefit from the Defined Benefit Plan.

2.40 ~~2.38~~ Retirement System

"Retirement System" means the Defined Benefit Plan and the Defined Contribution Plan.

2.41 ~~2.39~~ Schedules

"Schedules" means the Schedules attached to, and incorporated into, the Defined Benefit Plan. Each Schedule sets forth the specific Defined Benefit Plan provisions that apply to a particular Benefit Group.

2.42 ~~2.40~~ Severance from Employment

"Severance from Employment" means the individual has ceased to be an Employee of ~~an employer maintaining the Plan~~Employer. The personnel policies of the ~~employer that most recently employed the Employee~~City shall be used in determining whether a Severance from Employment has occurred.

2.43 ~~2.41~~ Spouse

"Spouse" means the person to whom a Participant is legally married on the day before his Annuity Starting Date or, if earlier, his death. A former Spouse shall be treated as a Spouse for purposes of the Defined Benefit Plan to the extent provided under an Eligible Domestic Relations Order.

2.44 ~~2.42~~ Straight Life Annuity

"Straight Life Annuity" means the annuity form of benefit payment described in Section 10.3(a).

2.45 ~~2.43~~ Temporary Disability Benefit

"Temporary Disability Benefit" means the disability benefit provided to a Participant or Vested Terminated Participant who qualifies and elects to receive benefits under Article 7.

~~2.44~~ ~~Vested Terminated Participant~~

~~"Vested Terminated Participant" means a former Employee who has met the requirements for participation under Article 3, and who is eligible to receive a benefit from the Defined Benefit Plan or whose Beneficiary may be eligible to receive a benefit from the Defined Benefit Plan.~~

2.46 ~~2.45~~ Unions

"Unions" mean the Unions whose members are eligible to participate in the Defined Benefit Plan. These Unions are as follows:

(a) Wyoming City Employees Union.

(b) Wyoming Administrative and Supervisory Employees Association.

(c) Police Officers Labor Council Wyoming Command Division.

(d) Police Officers Labor Council Wyoming Division.

(e) Police Officers Labor Council Emergency Communications Operators Unit.

(f) Wyoming Fire Fighters Association.

For purposes of this definition, an Employee is considered to be a "member" of a Union if the Employee is included in the bargaining unit represented by that Union.

2.47 ~~2.46~~ USERRA

"USERRA" means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

2.48 Vested Terminated Participant

"Vested Terminated Participant" means a former Employee who has met the requirements for participation under Article 3, and who is eligible to receive a benefit from the Defined Benefit Plan or whose Beneficiary may be eligible to receive a benefit from the Defined Benefit Plan, other than the return of his Accumulated Employee Contributions, plus interest.

2.49 ~~2.47~~ Year of Credited Service

"Year of Credited Service" means a year of service used in determining the ~~vested status and~~ amount of a Participant's Accrued Benefit and whether the Participant is vested in the Defined Benefit Plan. A Participant's Years of Credited Service shall be determined in the manner described in Article 4.

Article 3

Participation

3.1 Eligible Employees

~~Each~~No Employee ~~who normally has at least 1,200 Hours of Service during a Plan Year shall be~~shall become eligible ~~to participate in~~for the ~~Defined Benefit Plan as provided~~Plan after September 4, 2007 (or an earlier date as set forth in the applicable Schedule for that ~~applies to Employee's~~ Benefit Group~~, except that the following shall be ineligible to participate in the Defined Benefit Plan.~~).

~~**(a)** Any individual compensated on a contractual or fee basis.~~

~~**(b)** Any person who is treated as the common-law employee of a leasing organization, including a Leased Employee.~~

~~(c)~~ ~~Any elected official.~~

~~(d)~~ ~~Any individual who serves on a board or commission, whether appointed or elected.~~

~~(e)~~ ~~Any paid, on-call part-time firefighter.~~

~~(f)~~ ~~Any temporary or seasonal Employee, including, but not limited to, an Employee employed for an emergency.~~

~~(g)~~ ~~Any individual who is a Team 21 Employee who is not a member of a Union and does not pay the service fees of a Union.~~

~~(h)~~ ~~Any Employee who elects to participate in the Defined Contribution Plan.~~

~~An eligible Employee shall become a~~A Participant ~~on the date provided in Section 3.2 of this Article. A Participant~~ who is on a leave of absence for Qualified Military Service described in Section 4.2 or another leave of absence approved by Employer shall continue to participate in the Defined Benefit Plan.

3.2 Date of Participation

(a) ~~Each Employee who is~~**Before September 4, 2007** For the period before September 4, 2007 (or an earlier date as set forth in the applicable Schedule for that Benefit Group), each Employee who was eligible under Section 3.1 ~~shall become~~became a Participant on the later of the Employee's Date of Employment or the date the Employee ~~becomes~~became eligible under Section 3.1.

(b) **After September 4, 2007** No Employee shall become a Participant after September 4, 2007 because participation in the Plan was "closed to new entrants" as of September 4, 2007 (or an earlier date as set forth in the applicable Schedule for that Benefit Group). The last entry date for the Plan was September 4, 2007.

3.3 Transfer Between Benefit Groups

A Participant who transfers from one Benefit Group to another Benefit Group shall continue to participate in the Defined Benefit Plan regardless of whether he would be eligible to participate in the Defined Benefit Plan in the new Benefit Group.

3.4 Termination of Participation

A Participant who elects to transfer his or her Accrued Benefit to the Defined Contribution Plan in accordance with the applicable Schedule for the Employee's Benefit Group will no longer be a Participant as of the date of transfer. A Participant who elects to participate in the Defined Contribution Plan in accordance with the applicable Schedule for the Employee's Benefit Group, but does not elect to transfer his or her Accrued Benefit to the Defined Contribution Plan, will remain a Participant in the Plan, but will not earn any additional benefits

under the Plan. Except to the extent otherwise required by applicable law, if a Participant ceases to be eligible under Section 3.1 before becoming vested in any benefits under the Defined Benefit Plan, his participation shall cease as of the date he ceases to be eligible. The individual shall be deemed to have received a distribution of his benefits from the Defined Benefit Plan.

3.5 Participation After Reemployment

An Employee who has a Severance from Employment after becoming a Participant shall again be a Participant immediately upon being rehired by Employer, provided the Employee is eligible under Section 3.1 and the Schedule that applies to the Employee's Benefit Group and the Employee has a Deferred Vested Benefit under the Defined Benefit Plan as of his re-employment date. An Employee who does not have a Deferred Vested Benefit under the Defined Benefit Plan as of his re-employment date shall be ineligible to participate in the Defined Benefit Plan.

Article 4

Service

4.1 Credited Service

Years of service used in calculating the vested status of a Participant's Accrued Benefit and the amount of a Participant's Accrued Benefit under the Defined Benefit Plan and whether the Accrued Benefit is vested are called Years of Credited Service.

(a) General Rule Subject to the other provisions of this Section, all years of employment with Employer in job classifications that are eligible for participation in the Defined Benefit Plan shall be counted in determining a Participant's Years of Credited Service.

(b) Rules of Calculation A Participant shall be credited withwill receive credit for Years of Credited Service in accordance with the rules prescribed by the Board of Trustees. Service shall be credited to the nearest one-twelfth of a Calendar Year, up to one Year of Credited Service per Calendar Year. The Board of Trustees may credit a Participant with a full Year of Credited Service for a Calendar Year if the Participant has completedfor each Calendar Year in which the Participant has at least ten months of employment during that Calendar Year.1,000 Hours of Service.

(c) Reciprocal Service A Participant's may be credited with additional Years of Credited Service for service with a prior employer that has adoptedanother governmental entity as provided in the Reciprocal Retirement Act of 1968,1961, as amended (MCL § 38.1101, et. seq.) shall be counted in determining a Participant's Years of Credited Service.

4.2 Military Service

An individual who leaves employment with Employer to enter any armed service of the United States shall receive Years of Credited Service for the periods of military service subject to the following conditions:

(a) The Participant must return to active employment with Employer within 90 days from and after the date of termination of military service or within any longer period during which the Participant's reemployment rights may be protected by law following termination of military service.

(b) The Participant must repay the total amount of any Accumulated Employee Contributions distributed to him from the Defined Benefit Plan, plus interest (compounded annually). The interest rate for each Plan Year between the distribution date and the repayment date shall be 120 percent of the federal mid-term rate under Section 1274 of the Code on the first day of the Plan Year. These amounts must be repaid during the repayment period established by the Board of Trustees. For repayments protected by USERRA, this period shall not be shorter than the repayment period provided under USERRA. The USERRA repayment period begins on the date the Participant is reemployed by Employer and lasts until the earlier of:

(1) The fifth anniversary of the Participant's reemployment; or

(2) The date on which the repayment period is three times as long as the Participant's Period of Qualified Military Service.

(c) No Years of Credited Service shall be credited on account of periods of military service which shall be used for obtaining or increasing a benefit under another retirement system, except as required by applicable law.

(d) Notwithstanding any provision of the Defined Benefit Plan to the contrary, contributions, benefits and service credit with respect to Qualified Military Service shall be provided in accordance with Section 414(u) of the Code and USERRA.

4.3 Recrediting of Service After Reemployment

A Participant's service is recredited after reemployment as follows:

(a) **General Rule** If a Participant has a Severance from Employment and is subsequently reemployed by Employer, his prior Years of Credited Service shall be restored if the Participant had vested benefits prior to his Severance from Employment, or, if he did not have vested benefits, the break in employment with Employer is less than four years.

(b) **Special Rule Where a Participant Received a Distribution of Accumulated Employee Contributions** If a Participant receives a distribution of Accumulated Employee Contributions from the Defined Benefit Plan and is subsequently rehired by Employer ~~in a job classification that~~and is eligible to participate in the Defined

month until the death of the Participant. Benefits after the Participant's death, if any, depend on the form of benefit payment elected by the Participant.

5.4 Form of Payment Used in Determining Amount of Benefit

The amount of benefit determined under this Article is based on payment in the form of a Straight Life Annuity. If actual payment is in a different form, the amount of the actual benefit shall be adjusted to be the Actuarial Equivalent of a Straight Life Annuity.

5.5 Adjusted Amount for Late Payment

The amount of a Participant's benefits under this Article is based upon payment beginning on the first day of the month after the Participant's actual retirement date. If payment begins later than this date and the delay is caused by the Participant, the amount of the Participant's benefit shall be the Actuarial Equivalent of the Participant's Accrued Benefit on the first day of the month after the Participant's actual retirement date. Payment is not made retroactive to the Participant's actual retirement date unless any delay in making payments is not caused by the Participant.

5.6 Form of Benefit

A Normal Retirement Benefit shall be payable in the form determined under Article 10.

Article 6

Early Retirement Benefit

6.1 Eligibility for Benefit

To the extent provided in the Schedule that applies to the Participant's Benefit Group, a Participant shall have a nonforfeitable right to an Early Retirement Benefit if his Severance from Employment occurs after attaining early retirement age, but before attaining Normal Retirement Age. The definition of early retirement age for each Benefit Group eligible for an Early Retirement Benefit shall be set forth in the applicable Schedule for that Benefit Group.

6.2 Amount of Benefit

The monthly pension benefit payable to a Participant who is entitled to an Early Retirement Benefit shall be an amount equal to his Accrued Benefit determined as of his Early Retirement Date reduced for each month his pension starts before his Normal Retirement Age, to the extent the applicable Schedule for the Participant's Benefit Group provides for a reduction for payment before Normal Retirement Age.

paid for by the Defined Benefit Plan and shall not be the financial responsibility of the Participant.

If the Board of Trustees determines that a Participant is totally disabled and eligible for a Temporary Disability Benefit, the Board of Trustees may periodically ~~renew~~review its determination to confirm that the Participant continues to be totally disabled and eligible for a Temporary Disability Benefit.

7.2 Amount of Benefit

The monthly pension benefit payable to a Participant who is entitled to a Temporary Disability Benefit shall be an amount equal to the Participant's Accrued Benefit as of the date ~~he last performed services for Employer~~approved by the Board of Trustees, unreduced for payment before the Participant's Normal Retirement Date.

7.3 Commencement of Benefit

A Temporary Disability Benefit shall be payable to a Participant after the Participant last performed services for Employer if the Participant is eligible for, ~~and~~ has applied and been approved for, a Temporary Disability Benefit.

Benefits shall be paid no later than the last working day of each month until the Participant's death or the date the Participant ~~has attained~~attains the minimum age requirement to be eligible for a Normal Retirement Benefit, whichever is earlier. Upon attaining the minimum age requirement to be eligible for a Normal Retirement Benefit, the Participant shall receive a Normal Retirement Benefit in an amount equal to the Participant's Accrued Benefit as of the date ~~he last performed services for Employer~~approved by the Board of Trustees.

7.4 Form of Payment Used in Determining Amount of Benefit

The amount of benefit determined under this Article is based on payment in the form of a Straight Life Annuity.

7.5 Form of Benefit

A Temporary Disability Benefit shall be payable in the form determined under Article 10. ~~The~~Except to the extent provided otherwise in the applicable Schedule for the Participant's Benefit Group, the form elected shall continue when the Participant's Temporary Disability Benefit becomes a Normal Retirement Benefit as described in Section 7.3 of this Article.

7.6 Duty Disability - Special Rules

In the event the Participant's total disability results in the payment of benefits, other than medical expense benefits, under the workers' compensation laws of the state of Michigan, the following special rules shall apply:

Article 8

Death Benefit

8.1 ~~Actively Employed Participants~~ Spousal Death Benefit

The Spouse of ~~an actively employed~~a Participant shall be eligible to receive a death benefit if the Participant dies after satisfying the following requirements, but before receiving any benefits from the Defined Benefit Plan:

(a) The Participant was married to the Spouse at the time of death;

(b) The Participant did not complete a Beneficiary designation form and submit it to Employer pursuant to Section ~~8.6~~8.2; and

(c) The Participant died ~~while employed by Employer or while on a leave of absence from Employer to perform Qualified Military Service and~~ after satisfying the service requirement for his Benefit Group as set forth in the applicable Schedule.

8.2 ~~Amount and Form~~ Non-Spouse Death Benefit

~~The monthly pension benefit payable to a Spouse who is entitled to a death benefit shall be computed according to Article 5, in the same manner and in all respects as if the Participant had elected a joint and 100 percent survivor annuity, named the Spouse as Beneficiary, and retired the day immediately preceding the Participant's death, notwithstanding the fact that the Participant may not have satisfied all of the conditions for a Normal Retirement Benefit. The death benefit shall be payable in the form of a joint and 100 percent survivor annuity.~~

~~8.3 Commencement~~

~~The death benefit shall be payable to a Spouse who is eligible for, and has applied for, a death benefit. Benefits shall be payable following the death of the Participant, and shall be payable no later than the last working day of each month until the death of the Spouse.~~

~~8.4 Vested Terminated Participants~~

A ~~Vested Terminated Participant's Spouse shall be eligible to receive a death benefit if the Participant dies after his Severance from Employment, but before receiving any benefits from the Defined Benefit Plan, provided that the Participant was married to the Spouse at the time of death.~~ Beneficiary of a married or unmarried Participant who has satisfied the service requirement described in Section 8.1(c) shall be eligible for a non-Spouse death benefit pursuant to this Section. In order for a married Participant to elect a non-Spouse death benefit pursuant to this Section, the Participant's Spouse must consent in writing to the Participant's election of the non-Spouse death benefit and the Participant's naming of another Beneficiary. The Spouse's consent must be witnessed by a notary public. The Beneficiary shall be designated by the Participant on a form provided by the Board of Trustees. The Participant may change the

Beneficiary designation at any time by completing and filing a new form with the City's Finance Department.

8.3 Amount of Death Benefit

If the Participant dies while employed by Employer or while on a leave of absence from Employer to perform Qualified Military Service, the amount of the monthly benefit payable to a Spouse or Beneficiary who is entitled to a death benefit under Section 8.1 or 8.2 will be the amount the Spouse or Beneficiary would have been entitled to receive as a joint and 100% survivor annuity if the Participant had retired on the day immediately preceding his death even if the Participant had not attained the age necessary for a Normal Retirement Benefit to begin.

~~The~~If a Vested Terminated Participant dies before receiving any benefits from the Defined Benefit Plan, the monthly ~~pension~~ benefit payable to a Spouse or Beneficiary who is entitled to a death benefit ~~shall be computed according to Article 5 as of the Vested Terminated Participant's Severance from Employment, in the same manner and in all respects as if the Vested Terminated Participant had elected a joint and 100 percent survivor annuity, named the Spouse as Beneficiary, and retired the day immediately preceding the Vested Terminated Participant's eligibility for a Deferred Vested Benefit under this Article, notwithstanding the fact that the Vested Terminated Participant may not have satisfied all of the conditions for a Deferred Vested Benefit.~~will be the amount the Spouse or Beneficiary would be entitled to receive as a survivor benefit if the Participant survived to the date he would have been eligible to begin receiving his Deferred Vested Benefit but did not earn any additional benefit, elected to receive his distribution in the form of a joint and 100% survivor annuity commencing on the later of his date of death or his Normal Retirement Age and died the following day.

8.4 Commencement of Death Benefit

The monthly death benefit ~~shall~~will be payable to a Spouse or Beneficiary who is eligible for, and has applied for, ~~a~~the death benefit. Benefits ~~shall be payable at the time the Vested Terminated Participant would have been eligible for the commencement of a Deferred Vested Benefit under Article 9 (i.e., upon the Participant's attainment of the minimum age requirement to be eligible for a Normal Retirement Benefit), and shall~~will be payable no later than the last working day of the month following the death of the Participant, and will be payable no later than the last working day of each subsequent month until the death of the Spouse. However, if the Participant dies after his Severance from Employment, no monthly benefits will be paid before the first day of the month after the Participant would have attained his Normal Retirement Age.

8.5 Form of Death Benefit

The Spouse death benefit shall be payable in the form of a joint and 100% survivor annuity based on the life of the Participant and the Spouse. The non-Spouse death benefit shall be payable in the form of the ten-year period certain and life annuity based on the life of the Participant or the joint and 100% survivor annuity over the lives of the Participant and Beneficiary. If the form of payment is the joint and 100% survivor annuity, the Beneficiary must be dependent upon the Participant for at least 50 percent of the Beneficiary's financial support.

8.6 8.5 Duty Death - Special Rules

In the event the Board of Trustees determines that the Participant's death is the natural and proximate result, independent of all other causes, of a personalan injury or illness arising out of and in the course of the Participant's actual performance of duties with Employer, the following special rules apply:

(a) The minimum number of Years of Credited Service requirement described in Section 8.1(c) shall be waived.

(b) The amount of the Spouse's death benefit shall be computed in accordance with Section 8.1, plusand an additional amount shall be added, if necessary, shall be added to provide a minimum death benefit of 25 percent of the Participant's Average Monthly Compensation.

(c) Any additional amount of death benefit paid to a Spouse pursuant to Section 8.58.6(b) shall terminate upon the remarriage of the Spouse.

(d) During periods that a death benefit is not being paid to a Spouse, the surviving children of the Participant who are under age 18 shall be paid a death benefit terminating upon the earlier of the child's attainment of age 18, marriage, adoption or deathcalculated in accordance with Section 8.6(b). If there is more than one surviving child, the death benefit shall be distributed to the children in equal shares. The death benefit shall be calculated in accordance with Section 8.5(b)terminate upon the earlier of the child's attainment of age 18, marriage, adoption or death.

8.6 Elective

8.7 Non-Spouse Beneficiary Designation

A married or unmarried Participant who has satisfied the service requirement described in Section 8.1(c) shall be eligible for a non-Spouse death benefit pursuant to this Section. In order for a married Participant to elect a non-Spouse death benefit pursuant to this Section, the Participant's Spouse must consent in writing to the Participant's election of the non-Spouse death benefit and the Participant's naming of another Beneficiary. The Spouse's consent must be witnessed by a notary public.

The amount and form of the non-Spouse death benefit shall be determined in accordance with Section 8.2. The Beneficiary shall be designated by the Participant on a form provided by the Board of Trustees. The Beneficiary must be dependent upon the Participant for at least 50 percent of the Beneficiary's financial support. The Participant may change the Beneficiary designation at any time by completing and filing a new form with the Board of Trustees, provided the new Beneficiary is also dependent upon the Participant for at least 50 percent of the Beneficiary's financial support.

The Participant may designate a trust as Beneficiary. The Board of Trustees shall determine the rights of any trustee designated as a Beneficiary without responsibility for

determining the validity, existence or provisions of that trust, and shall not have responsibility for the application of sums paid to that trustee or for the discharge of the trust.

The ~~form of the non-Spouse death benefit may be the joint and 100 percent survivor annuity or the ten-year period certain and life annuity. If the form of payment is the ten-year period certain and life annuity, the Beneficiary shall not be required to be dependent upon the Participant for at least 50 percent of the Beneficiary's financial support.~~rules of this paragraph apply unless provided otherwise in a Participant's Beneficiary designation form. If a Participant designates one primary Beneficiary and the Beneficiary dies after the Participant but before benefit payments are completed, any remaining benefits will be payable to the secondary Beneficiary. If a Participant fails to designate a secondary Beneficiary or if no secondary Beneficiary survives the primary Beneficiary, any remaining benefits will be payable to the deceased primary Beneficiary's heirs in the manner described in the next paragraph. If a Participant designates more than one primary Beneficiary or more than one secondary Beneficiary and a Beneficiary dies before benefit payments are completed, the share payable to the deceased Beneficiary must be paid to the deceased Beneficiary's heirs in the manner described in the next paragraph as if the Beneficiary was the Participant.

If a Beneficiary of an unmarried Participant ~~who has satisfied the service requirement described in Section 8.1(c) dies while employed by Employer or on a leave of absence to perform Qualified Military Service, but~~would be eligible for a non-Spouse death benefit, but the Participant dies before signing and filing a Beneficiary designation form with the Board of Trustees, or if the Beneficiary named in the unmarried Participant's Beneficiary designation form does not survive the unmarried Participant, the unmarried Participant's non-Spouse death benefit ~~shall be the ten-year period certain and life annuity and~~ shall be paid in equal shares to the ~~Participants~~members of the first of the classes listed below having a living member on the date the distribution is payable in the form of the ten-year period certain and life annuity. The classes, in order of priority, are as follows:

(a) The unmarried Participant's children or their then-living issue, by right of representation; and

(b) The individual's estate, if under active administrator, and if not, the legal heirs of the unmarried Participant under the laws of the unmarried Participant's state of residence on the date of the unmarried Participant's death.

A Beneficiary is permitted to disclaim the Beneficiary's rights to a death benefit under the Plan to the extent permitted by applicable law. If this occurs, the Beneficiary shall be treated as predeceasing the Participant for purposes of this Section.

The records of the City shall be conclusive as to the proper payee and the amount payable. A distribution made based upon these facts shall be treated as a complete discharge of all obligations under the Plan.

8.8 ~~8.7~~ Rollover by Non-Spouse Beneficiary

A Beneficiary who is not the Participant's Spouse shall be permitted to elect a direct rollover to an individual retirement account of any lump sum death benefit payable to the Beneficiary as provided in Article 19 or Section 10.3(c).

Article 9

Deferred Vested Benefit

9.1 Eligibility for Benefit

A Participant shall be eligible for a Deferred Vested Benefit if he has a Severance from Employment after satisfying the service requirement set forth in the applicable Schedule for his Benefit Group, but before qualifying for any other benefit under the Defined Benefit Plan. ~~A~~Except as provided in Section 12.2, a Participant who has a Severance from Employment before qualifying for a Deferred Vested Benefit or any other benefit shall not receive any benefit from the Defined Benefit Plan.

9.2 Amount of Benefit

The monthly retirement benefit payable to a Participant who is eligible for a Deferred Vested Benefit shall be an amount equal to the Participant's Accrued Benefit as of his Severance from Employment.

9.3 Commencement of Benefit

A Deferred Vested Benefit shall be payable to a Vested Terminated Participant who becomes eligible for, and has applied for, a Deferred Vested Benefit. Benefits shall commence no earlier than the Vested Terminated Participant's attainment of the minimum age requirement to be eligible for a Normal Retirement Benefit and shall be paid no later than the last working day of each month until the death of the Vested Terminated Participant. Benefits after the Vested Terminated Participant's death, if any, depend on the form of benefit payment elected by the Vested Terminated Participant.

9.4 Form of Payment Used in Determining Amount of Benefit

The amount of benefit determined under this Article is based on payment in the form of a Straight Life Annuity. If actual payment is in a different form, the amount of the actual benefit shall be adjusted to be the Actuarial Equivalent of a Straight Life Annuity.

9.5 Adjusted Amount for Late Payment

The amount of a Participant's benefits under this Article is based upon payment beginning on or before the Participant's Normal Retirement Date. If payment begins after the Participant's Normal Retirement Date, the amount of the Participant's benefit shall be the Actuarial Equivalent of the Participant's Accrued Benefit as of the Participant's Normal Retirement Date. Payment is not made retroactive to the Participant's Normal Retirement Date.

9.6 Form of Benefit

A Deferred Vested Benefit shall be payable in the form determined under Article 10.

Article 10

Forms of Payment

10.1 Application for Pension Benefits

No pension benefits shall be payable under the Defined Benefit Plan with respect to any period which is prior to the date an application for pension benefits is received and approved by~~ an authorized official of~~ the Board of Trustees, unless the Board of Trustees determines under nondiscriminatory rules that the delay was not due to negligence of the Participant or Vested Terminated Participant.

~~If the Participant or Vested Terminated Participant is younger than age 62 at the time he requests a distribution, the Board of Trustees shall provide the Participant or Vested Terminated Participant with a written description of the right to defer any distribution during the 180-day period before the distribution is made. The description shall include the consequences of failing to defer the receipt of benefit payments.~~

10.2 Automatic Form of Benefit Payment

Unless a Participant or Vested Terminated Participant elects an optional form of payment, as described in Section 10.3, his Normal Retirement Benefit, Early Retirement Benefit, or Deferred Vested Benefit shall automatically be paid under whichever of the forms applies at the time payments commence:

(a) If the Participant is not married as of his Annuity Starting Date, a Straight Life Annuity; or

(b) If the Participant is married as of his Annuity Starting Date, a monthly benefit for the life of the Participant or Vested Terminated Participant, with a survivor benefit for the life of his Spouse, if living, equal to 100 percent of the amount payable during the life of the Participant or Vested Terminated Participant. No survivor benefit shall be paid if the Spouse does not survive the Participant or Vested Terminated Participant. If the Participant re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse.

The amount of any form of payment other than a Straight Life Annuity form shall be the Actuarial Equivalent of the Straight Life Annuity form.

The automatic forms of payment described in this Section apply to any Participant whose Annuity Starting Date is on and after July 1, 2011, even if the Participant's Severance from Employment occurred before that date.

10.3 Optional Forms of Benefit Payment

If a Participant or Vested Terminated Participant waives the automatic form of payment provided in Section 10.2, he may elect one of the following optional forms of payment:

(a) Option A: Straight Life Annuity A monthly benefit for the life of the Participant or Vested Terminated Participant with no payments after the death of the Participant or Vested Terminated Participant.

(b) Option B: Joint and 50 Percent Survivor Annuity A monthly benefit for the life of the Participant or Vested Terminated Participant, with a survivor benefit for the life of his Spouse, if living, equal to 50 percent of the amount payable during the life of the Participant or Vested Terminated Participant. No survivor benefit shall be paid if the Spouse does not survive the Participant or Vested Terminated Participant. If the Participant re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse.

(c) Option C: Ten-Year Period Certain and Life Annuity A monthly benefit for the life of the Participant or Vested Terminated Participant, with a guarantee of a minimum of 120 monthly payments. If the Participant or Vested Terminated Participant dies before the minimum number of payments are made, monthly payments shall continue to his Beneficiary until the total number of payments made to the Participant or Vested Terminated Participant and his Beneficiary equal the guaranteed minimum number of payments. Alternatively, upon the death of the Participant or Vested Terminated Participant, the Beneficiary may elect to receive a single lump sum equal to the present value of the remaining guaranteed minimum number of payments. The lump sum shall be the Actuarial Equivalent of the Straight Life Annuity form. The Participant or Vested Terminated Participant may change his Beneficiary at any time before his death.

(d) Option D: Joint and 100 Percent Survivor Annuity with Pop-Up Feature A monthly benefit for the life of the Participant or Vested Terminated Participant with a survivor benefit for the life of his Spouse, if living, equal to 100 percent of the amount payable during the life of the Participant or Vested Terminated Participant. ~~If the Participant re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse.~~ If the Participant or Vested Terminated Participant's Spouse predeceases the Participant or Vested Terminated Participant or if the Participant and Spouse divorce and a domestic relations order provides that the Spouse waives all rights to the Participant's benefit under the Plan, the monthly benefit payable to the Participant or Vested Terminated Participant shall increase to the amount that the Participant or Vested Terminated Participant would have received if his monthly benefit had been paid in the form of a Straight Life Annuity. The increase shall occur after the ~~Board of Trustees~~City receives evidence, satisfactory to the ~~Board of Trustees~~City, of the Spouse's death or that a domestic relations order with the necessary language has been issued and shall be retroactive to the day following the Spouse's date of death~~.~~ or the date the Employer receives the domestic relations order. If the Participant

re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse.

(e) Option E: Joint and 50 Percent Survivor Annuity with Pop-Up Feature A monthly benefit for the life of the Participant or Vested Terminated Participant with a survivor benefit for the life of his Spouse, if living, equal to 50% of the amount payable during the life of the Participant or Vested Terminated Participant. ~~If the Participant re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse.~~ If the Participant or Vested Terminated Participant's Spouse predeceases the Participant or Vested Terminated Participant or if the Participant and Spouse divorce and a domestic relations order provides that the Spouse waives all rights to the Participant's benefit under the Plan, the monthly benefit payable to the Participant or Vested Terminated Participant shall increase to the amount that the Participant or Vested Terminated Participant would have received if his monthly benefit had been paid in the form of a Straight Life Annuity. The increase shall occur after the ~~Board of Trustees~~City receives evidence, satisfactory to the ~~Board of Trustees~~City, of the Spouse's death or that a domestic relations order with the necessary language has been issued and shall be retroactive to the day following the Spouse's date of death~~.~~ or the date the Employer receives the domestic relations order. If the Participant re-marries after his Annuity Starting Date, no survivor benefit shall be paid to the subsequent Spouse.

An optional form of payment shall be elected by the Participant or Vested Terminated Participant in writing on a form provided by the Board of Trustees. The election is irrevocable as of the date his benefits begin, but may be periodically changed prior to that date. Other optional forms of payment may be available to certain groups of Participants and Vested Terminated Participants as set forth in the applicable Schedule.

10.4 Eligible Rollover Distributions

If a Distributee receives an Eligible Rollover Distribution from the Defined Benefit Plan, the following rules supersede any other provisions in this Article.

(a) Notice Requirement No less than 30 days and no more than 180 days before a distribution, the Board of Trustees shall provide the Distributee with a written explanation of:

(1) The rules under which the distribution may be paid in a Direct Rollover to an Eligible Retirement Plan;

(2) The rules that require income tax withholding if the distribution is not paid in a Direct Rollover;

(3) The rules under which the Distributee may roll over the distribution within 60 days of receipt; and

(4) Any other applicable tax rules.

However, the Distributee may elect to begin receiving benefits within 30 days after being provided the written notice, provided the Distributee is given at least 30 days after receipt of the written notice to consider whether or not to receive a Direct Rollover and the Distributee is clearly informed of this right.

(b) **Direct Rollover** The Distributee may elect a Direct Rollover of the distribution to an Eligible Retirement Plan. However, the Distributee's right to elect a Direct Rollover is subject to the following:

(1) A Distributee's election to make or not make a Direct Rollover with respect to one payment in a series of payments applies to all subsequent payments. However, the Distributee may change his election at any time;

(2) A Distributee may not elect a Direct Rollover to more than one Eligible Retirement Plan; and

(3) The Distributee shall supply the Board of Trustees with any information the Board of Trustees reasonably requests in connection with the Direct Rollover.

(c) **Income Tax Withholding** Mandatory income tax withholding shall apply to the portion of the Eligible Rollover Distribution for which the Distributee does not elect a Direct Rollover.

(d) **Definitions** The following definitions apply for purposes of this Section:

(1) **"Direct Rollover"** means the payment of an Eligible Rollover Distribution by the Defined Benefit Plan to an Eligible Retirement Plan specified by the Distributee.

(2) **"Distributee"** means a Participant, Vested Terminated Participant, Spouse of a Participant or Vested Terminated Participant, ~~or~~ an alternate payee under an Eligible Domestic Relations Order or a Beneficiary who is not the Participant's Spouse.

(3) **"Eligible Retirement Plan"** means an eligible retirement plan, as defined in Section 401(a)(31) of the Code~~, an~~. An Eligible Retirement Plan includes:

(A) ~~A traditional individual retirement account or annuity;~~An IRA or Roth IRA;

(B) A plan described in Sections 403(a) or 403(b) of the Code;

(C) A Qualified Plan; and

(D) An eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state (an "eligible Section 457 plan"). However, an eligible Section 457 plan is an eligible retirement plan only if it agrees to separately account for amounts transferred into such plan from the Defined Benefit Plan.

~~**(E)** A Roth individual retirement account under Section 408A of the Code.~~

(4) **"Eligible Rollover Distribution"** means an eligible rollover distribution under Section 402(c)(4) of the Code. This includes any distribution of benefits, except the following:

(A) A distribution that is required under Section 401(a)(9) of the Code (for example, after a Vested Terminated Participant attains age 70½);

(B) A distribution for a specified period of ten or more years; or

(C) A distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the Distributee and his Beneficiary.

(D) Any portion of the distribution that is not included in the Distributee's gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

(5) **"IRA"** means an individual retirement account described in Section 408(a) of the Code, or an individual retirement annuity described in Section 408(b) of the Code.

(6) **"Roth IRA"** means a Roth individual retirement account or annuity under Section 408A of the Code.

10.5 Minimum Distribution Requirements

(a) **General Rules** The provisions of this Section shall apply for purposes of determining required minimum distributions for Calendar Years beginning with the 2003 Calendar Year. The requirements of this Section shall take precedence over any inconsistent provisions of the Defined Benefit Plan. All distributions required under this Section shall be determined and made in accordance with the regulations under Section 401(a)(9) of the Code, including Treas. Reg. §1.401(a)(9)-6.

first distribution Calendar Year is the Calendar Year in which distributions are required to begin pursuant to subsection (b)(2)(A).

(3) **Joint and Survivor Annuity** A form of benefit payment that provides a monthly benefit to the Participant or Vested Terminated Participant during his life and, if the Participant or Vested Terminated Participant is survived by a Beneficiary, a monthly survivor benefit for the remaining portion of the Beneficiary's life.

(4) **Life Expectancy** Life expectancy as computed by use of the single life table in Treas. Reg. §1.401(a)(9)-9.

(5) **Required Beginning Date** The date specified in subsection (b)(1).

10.6 Lost Participants and Uncashed Benefit Checks

(a) **Forfeiture of Accrued Benefit** If the vested portion of a Participant's Accrued Benefit is payable under this Article and the Plan Administrator cannot locate the Participant after a reasonable search, the Participant shall be deemed to be "lost." The Plan Administrator may then treat the Participant's vested Accrued Benefit as a forfeiture.

(b) **Reasonable Search** For purposes of this Section, a search will be considered to be "reasonable" if the Plan Administrator does the following:

(1) Sends a letter to the Participant at the Participant's last known address and the letter is returned because it is undeliverable, or the check remains uncashed for at least six months; and

(2) The Plan Administrator uses the services of a commercial locator service to determine the Participant's current address, but is unable to contact the Participant for a reason described in subparagraph (A) or (B).

(A) If a current address for the Participant is located, the Plan Administrator sends a letter to the Participant at that address, and

(i) The letter is returned as undeliverable; or

(ii) The check is not cashed within six months.

(B) No current address for the Participant is located.

(c) **Restoration of Accrued Benefit** If the Participant's vested Accrued Benefit is forfeited under this Section and the Participant subsequently applies for benefits under the Plan, the Participant's vested Accrued Benefit shall be reinstated. The Participant shall then be entitled to receive a distribution of the Participant's vested benefits under the Plan.

(d) **Beneficiaries** The provisions in this Section that apply to a Participant shall also apply to the Participant's Beneficiary if the Participant is deceased.

Article 11

Restrictions on Pensions

11.1 No Duplication of Benefits

Except as otherwise specifically provided in the Defined Benefit Plan, a Participant or Vested Terminated Participant shall not receive pension benefits under more than one Article from among Articles 5, 6, 7 and 9. If a Participant or Vested Terminated Participant becomes eligible to receive benefits under two or more of such Articles, the Participant or Vested Terminated Participant shall make a binding and final election as to the one Article under which pension benefits are to be paid.

11.2 Limit on Annual Benefits

The annual pension benefit payable to a Participant from all Defined Benefit Plans maintained by Employer shall not exceed the limits contained in Section 415 of the Code, which is incorporated in the Defined Benefit Plan by reference.

(a) **Limit on Annual Benefit** The annual benefit accrued by a Participant, and the annual benefit payable to a Participant, shall not exceed $~~195,000,~~210,000, as adjusted pursuant to Section 415(d) of the Code (the "Section 415 Dollar Limit").

(b) **Adjustments to Section 415 Dollar Limit**

(1) If the Participant's Annuity Starting Date occurs after the Participant attains age 62 and before the Participant attains age 65, no adjustment shall be made to the Section 415 Dollar Limit that applies to the Participant.

(2) If a Participant's Annuity Starting Date occurs before the Participant attains age 62, the Section 415 Dollar Limit shall be reduced for each month that benefits commence before the month in which the Participant attains age 62. The Section 415 Dollar Limit at any age before age 62 is the lesser of:

(A) The Section 415 Dollar Limit multiplied by a fraction in which the numerator is the annual benefit payable to the Participant as a single life annuity on the Participant's Annuity Starting Date and the denominator is the annual benefit payable to the Participant as a single life annuity at age 62. The numerator and denominator shall both be determined without applying the rules of Section 415 of the Code; or

(B) An Actuarial Equivalent amount determined using the 5 percent interest rate and the applicable mortality table under Treas.

using a 5 percent interest assumption and the applicable mortality table described in Treas. Reg. §1.417(e)-1(d)(2) for that Annuity Starting Date.

(2) If payment is made in a lump sum distribution, the annual amount of a single life annuity commencing on the Annuity Starting Date that is the Actuarial Equivalent of the benefit payable to the Participant, computed using one of the following combinations of actuarial assumptions that results in the largest single life annuity:

(A) The applicable interest rate and mortality table (or tabular factor) specified in Article 2 for adjusting benefits in the same form;

(B) A 5.5 percent interest assumption and the applicable mortality table for the distribution under Treas. Reg. §1.417(e)-1(d)(2); or

(C) The applicable interest rate for the distribution under Treas. Reg. §1.417(e)-1(d)(3) and the applicable mortality table for a distribution under Treas. Reg. §1.417(e) 1(d)(2), divided by 1.05.

Benefit increases resulting from the increases in the limitations of Section 415(b) of the Code shall be provided to each Participant who has an Hour of Service after December 31, 2001.

11.3 Coordination with Workers' Disability Compensation Benefits

Workers' disability compensation benefits to which a Participant is entitled pursuant to the Workers' Disability Compensation Act of 1969 (MCL § 418.301 et. seq.) shall be coordinated with benefit payments under the Defined Benefit Plan to the extent provided in the Schedule for each Benefit Group.

Article 12

Accumulated Employee Contributions

12.1 Accumulated Employee Contributions

This Article applies to Participants and Vested Terminated Participants who have made Accumulated Employee Contributions to the Defined Benefit Plan. Accumulated Employee Contributions were made to the Defined Benefit Plan for periods prior to July 2, 1978. Between July 3, 1978, and ~~June 30,~~July 1, 2001, no Employee contributions were required or permitted to be made to the Defined Benefit Plan. Effective as of July 2, 2001, certain Benefit Groups were again required to make Employee contributions as a condition of participation in the Defined Benefit Plan. The schedule for each Benefit Group indicates whether Employee contributions are made by members of that Benefit Group.

13.2 Permitted Continuation

A Participant of a Benefit Group may continue to work for Employer beyond the attainment of the age described in Section 13.1, upon satisfying the following requirements:

(a) The Participant must submit a written request to Employer for continued employment no later than 30 days before his employment is required to terminate pursuant to Section 13.1.

(b) To the extent permitted by applicable law, if requested by Employer, the Participant must furnish medical evidence of his physical capability to perform the essential functions of the Participant's job.

(c) The Participant's request is approved, in writing, by Employer.

To the extent permitted by applicable law, employment with Employer shall not continue beyond the age limit set forth in the applicable Schedule for the Participant's Benefit Group. However, Employer may waive the age limit set forth in the applicable Schedule either for good cause or to comply with applicable law.

Article 14

Administration

14.1 Establishment of Board of Trustees

The Board of Trustees shall consist of the following:

(a) A member of the City Council, appointed by the City Council and to serve at the pleasure of the City Council.

(b) The City Manager.

(c) A resident who is a registered voter of the City who is not an officer or an Employee of Employer and who is not a Participant, Vested Terminated Participant, Retiree or Beneficiary of the Retirement System, to be appointed by the City Council.

(d) One Participant in the Retirement System who is a member of the Administrative and Supervisory Benefit Group or Administrative Contract Benefit Group, to be elected by the Participants in the Retirement System who are members of the Administrative and Supervisory Benefit Group ~~or~~and Administrative Contract Benefit Group.

(e) One Participant in the Retirement System who is a member of the General Benefit Group, to be elected by the Participants in the Retirement System who are members of the General Benefit Group.

(f) One Participant in the Retirement System who is a member of the Public Safety Benefit Group (consisting of the Police Command Benefit Group, the Police Nonsupervisory Benefit Group and the Fire Benefit Group), to be elected by the Participants in the Retirement System who are members of the Public Safety Benefit Group.

Election of the members listed in (d), (e)~~ and~~, (f) above shall be held in accordance with rules adopted by the Board of Trustees. The Board of Trustees shall adopt its own rules and procedures and shall keep a record of its proceedings. Four trustees shall constitute a quorum at any meeting of the Board of Trustees and at least four concurring votes shall be necessary for any decision by the Board of Trustees.

14.2 Term of Office; Vacancy

The regular term of office of the citizen trustee described in Section 14.1(c) and the Participant-elected trustees described in Sections 14.1(d), (e) and (f) shall be three years. The term of the Administrative Group trustee shall expire on June 30, 2013, the term of the Public Safety Group trustee shall expire on June 30, 2015 and the terms of the Citizen trustee and the General Benefits Group trustee shall expire on June 30, 2014. Thereafter, each term will expire three (3) years after the end of the prior term (even if a vacancy occurs on the Board of Trustees during a term and a replacement trustee must be elected to complete a three-year term). A vacancy shall occur on the Board of Trustees if:

(a) A trustee resigns;

(b) An elected or appointed trustee ceases to be a trustee because of Section 5.3 of the City Charter;

(c) An ex-officio trustee ceases to hold the office which qualified the individual as a trustee; or

(d) A Participant-elected trustee ceases to be a Participant.

In the event a vacancy occurs on the Board of Trustees, the vacancy shall be filled for the unexpired term in the same manner as the position was previously filled. If a Trustee changes Benefit Groups during his or her term, the Trustee shall serve out his or her term until the next scheduled election for a Trustee of the Trustee's prior Benefit Group.

14.3 Officers and Administrative Services

The officers and administrative services of the Defined Benefit Plan shall be as follows:

(a) **Chairperson and Vice-Chairperson** The Board of Trustees shall annually elect a chairperson and a vice-chairperson from among the individuals who serve as trustee.

(b) **Secretary** The ~~finance director-comptroller-internal auditor~~Human Resource Director shall be the administrative officer of the Defined Benefit Plan and shall be the secretary of the Board of Trustees.

(c) **Treasurer** The City Finance Director shall be the treasurer of the Defined Benefit Plan. The treasurer shall be custodian of the assets of the Defined Benefit Plan except as to such assets as the Board of Trustees may from time to time otherwise hold, as authorized by applicable law. This shall not prevent the Board of Trustees from appointing a bank or other agent as custodian of any assets.

(d) **Actuary** The Board of Trustees shall designate an Actuary who shall be the technical advisor to the Board of Trustees regarding the operation of the Defined Benefit Plan on an actuarial basis and who shall perform such services as are required in that connection.

(e) **Other Services** The Board of Trustees is authorized and empowered to employ such professional or other administrative services as are required for the proper administration of the Defined Benefit Plan. No advisor to the Board may also serve as a member of the Board of Trustees at the same time.

14.4 Powers of Board of Trustees

The Board of Trustees shall have the discretionary power and authority to manage and administer the Defined Benefit Plan in accordance with its terms and applicable laws and regulations. The Board of Trustees shall exercise its authority in a nondiscriminatory manner. The Board of Trustees shall have the powers necessary to administer and meet its obligations under the Defined Benefit Plan, including, but not limited to, the following:

(a) Maintain records pertaining to the Defined Benefit Plan.

(b) Interpret the terms and provisions of the Defined Benefit Plan.

(c) Decide all questions of eligibility for participation in the Defined Benefit Plan.

(d) Decide all questions of eligibility for benefit payments and determine the amount and manner of the payment of benefits.

(e) Establish procedures by which Participants, Vested Terminated Participants and Beneficiaries may apply for pension benefits under the Defined Benefit Plan and appeal a denial of pension benefits.

(f) Determine the rights under the Defined Benefit Plan of any Participant, Vested Terminated Participant or Beneficiary applying for or receiving pension benefits.

(g) Determine the total Years of Credited Service of a Participant, Vested Terminated Participant, or Retiree for a Participant, Vested Terminated Participant, Retiree, or Beneficiary who is applying for or receiving pension benefits.

(h) Require and obtain the appropriate Actuary~~'s report~~ reports.

(i) Authorize the payment of benefits to all individuals entitled to pension benefits under the Defined Benefit Plan, and to pay the administrative expenses of the Defined Benefit Plan.

(j) Administer the appeal procedure provided for in this Article.

(k) Delegate specific responsibilities for the operation and administration of the Defined Benefit Plan to Employees or agents.

(l) Determine the employment status of any person providing services to Employer.

(m) To the extent permitted by applicable law, take voluntary action to self-correct operational errors in the administration of the Defined Benefit Plan.

14.5 Ability to Delegate Authority

The Board of Trustees may delegate to the City and/or an agent or Employee of the City routine and limited discretionary duties as it sees fit.

14.6 Indemnification

To the extent permitted by applicable law, Employer shall indemnify and hold harmless any Employee for any liability or expense arising out of the Employee's action or failure to act in performing services on behalf of the Board of Trustees. However, this provision only applies if the Employee's action is in good faith and is not willful misconduct.

14.7 Investment of Defined Benefit Plan Assets

The Board of Trustees shall be the trustee of the assets of the Defined Benefit Plan. The Board of Trustees shall have full power and authority to invest/reinvest the assets subject to all terms, conditions, limitations and restrictions imposed by the state of Michigan on the investment of public employee retirement systems. The Board of Trustees may employ outside investment counsel to advise the Board of Trustees in the making and disposition of investments. All investment of Defined Benefit Plan assets shall be made in accordance with the requirements of the Public Employee Retirement System Investment Act (MCL § 33.112 et. seq.).

14.8 Standard of Care

The Board of Trustees shall administer the Defined Benefit Plan in accordance with the terms of the Defined Benefit Plan and the Ethics Policy adopted by the Board solely in

The financial objective of the Defined Benefit Plan is to require Employer contributions to the Defined Benefit Plan each Plan Year which shall be sufficient to fully fund the actuarial cost of benefits likely to be paid on account of services rendered by Participants during the current Plan Year and finance the unfunded actuarial cost of benefits likely to be paid on account of services rendered by Participants prior to the current Plan Year over a period not to exceed ~~40~~30 Plan Years. The contributions shall be computed by the Actuary at level percents of Participant payroll in accordance with generally recognized actuarial principles. The contributions shall be appropriated by Employer and paid to the Defined Benefit Plan.

15.3 Reserve for Undistributed Investment Income

The reserve for undistributed investment income is the account to which is credited all interest, dividends and other income from the investment of Defined Benefit Plan assets, all gifts and bequests received by the Defined Benefit Plan, all unclaimed Accumulated Employee Contributions and pensions and all other monies received by the Defined Benefit Plan, the disposition of which is not specifically provided. There shall be transferred from the reserve for undistributed investment income all amounts required to credit interest to the reserve for Accumulated Employee Contributions, the reserve for Employer contributions and the reserve for retired benefit payments. Whenever the Board of Trustees determines that the balance in the reserve for undistributed investment income is more than sufficient to cover current charges to the reserve, the excess or any part thereof shall be transferred to the reserve for Employer contributions. Whenever the Board of Trustees determines that the balance in the reserve for undistributed investment income is insufficient to meet the current charges to the account, the amount of the insufficiency shall be transferred from the reserve for Employer contributions.

15.4 Allowance of Interest and Rates of Interest

The Board of Trustees shall, at the end of each Plan Year, credit interest on the ~~individual Participant balances in the reserve for~~ Accumulated Employee Contributions ~~and on the balances in the reserve for Employer contributions and the reserve for retired benefit payments. The amounts so credited shall be charged to the reserve for undistributed investment income~~. The Board of Trustees shall determine the rate or rates of interest to be used in the crediting ~~and charging~~ of interest.

15.5 Method of Making Payments

All payments from Defined Benefit Plan assets shall be made according to procedures governing the disbursement of Employer's general fund monies. No payment shall be made unless it ~~shall have been previously~~is authorized by the Board of Trustees.

15.6 Assets not Segregated

The description of the various reserves of the Defined Benefit Plan shall be interpreted to refer to the accounting records of the Defined Benefit Plan and not to the segregation of monies or assets in the reserve accounts of the Defined Benefit Plan. Defined Benefit Plan assets are not required to be held in trust or in any separate fund until paid.

Article 16

Rights of Participants

16.1 Right to Rehire Retirees

Employer in its sole discretion may rehire any Retiree who has retired on a Normal Retirement Benefit, Early Retirement Benefit, or a Deferred Vested Benefit after the later of either 30 days after the Employee's Severance from Employment, or the beginning of the following Plan Year if the Employee has accrued ~~1,200~~1,000 Hours of Service in the current Plan Year.

The Board of Trustees shall suspend the pension benefits of any Retiree during certain periods of reemployment by Employer. Benefits shall be suspended for any period during which the Retiree is rehired and normally has at least ~~1,200~~1,000 Hours of Service during a Plan Year. Any Retiree who is rehired and normally has less than ~~1,200~~1,000 Hours of Service during a Plan Year may, upon the Employee's election, suspend benefits for any period during which the Retiree is rehired.

If pension benefits have been suspended, payment shall resume no later than the first day of the third calendar month after the calendar month in which the individual ceases to be employed in service which required the suspension of his benefits.

If the Retiree's benefits are suspended, the Retiree shall earn a separate Accrued Benefit for his period of reemployment. The separate Accrued Benefit shall be determined under Article 5 based upon the Retiree's Years of Credited Service during the period of reemployment. However, his Accrued Benefit relating to any prior period of employment shall not be changed. The Retiree's pension benefit shall be the sum of the Accrued Benefits earned during the separate periods of employment.

At the time payments resume, the Board of Trustees may deduct from benefit payments to be made any payments which were previously made during a period in which benefits should have been suspended. The deduction or offset may not exceed in any one month 25 percent of that month's total benefit payment which would have been due, but for the offset. However, the initial payment after benefits resume may be offset without limitation.

Upon the request of a Retiree, the Board of Trustees shall determine whether specific contemplated employment shall be employment for which benefit payments shall be suspended.

16.2 No Employment Rights

The existence of the Defined Benefit Plan shall not grant a Participant any legal right to continue as an Employee, or affect the right of Employer to discharge a Participant.

(a) **"DROP"** means the deferred retirement option plan established under this Article. The DROP is part of the Defined Benefit Plan.

(b) **"DROP Account"** means the total amount credited to an individual DROP Participant due to participation in the DROP.

(c) **"DROP Benefit"** means a Participant's total DROP account balance at the time the Participant has a Severance from Employment.

(d) **"DROP Entry Date"** means the effective date of the Participant's participation in the DROP.

(e) **"DROP Period"** means the duration of a Participant's participation in the DROP, from the DROP Entry Date to the date the Participant has a Severance from Employment.

19.2 Basic Concept of the DROP

In lieu of retiring and commencing receipt of a monthly benefit, an eligible Participant may enter into the DROP as follows:

(a) Eligible Participants who elect to participate in the DROP shall make an irrevocable election to terminate employment with Employer and retire upon ceasing participation in the DROP. The Participant must cease participation in the DROP and terminate employment no later than three years after entering the DROP, unless the Participant has a Severance from Employment at an earlier date pursuant to Article 13. ~~However, Participants who entered the DROP before September 1, 2008, must cease participation in the DROP and terminate employment no later than five years after entering the DROP, unless the Participant has a Severance from Employment at an earlier date pursuant to Article 13.~~

(b) The Participant's DROP election shall specify the Participant's future retirement date and the form of payment in which his monthly pension benefit shall be paid (from among the forms of payment available under Article 10). The selected form of payment shall apply both immediately for purposes of determining the monthly amount credited to the Participant's DROP Account under Section 19.5(a), and upon his Severance from Employment.

(c) Upon entry into the DROP, a Participant shall no longer accrue additional Years of Credited Service under the Defined Benefit Plan. Further, any Compensation increases of the Participant after his DROP Entry Date, or any increases in the benefit formula that applies to the Participant's Benefit Group that are made after his DROP Entry Date shall be disregarded.

(d) Participants in the DROP remain Employees of Employer for all other purposes, and are not treated as separated from Employer during their participation in the DROP. However, the determination of the Participant's monthly pension benefit amount is made and payment of the monthly pension benefit begins upon entry into the

DROP, except that payments of that benefit are credited to a special DROP Account subject to certain conditions, rather than distributed to the Participant directly.

19.3 Eligibility

To participate in the DROP, a Participant must meet the following requirements as of his DROP Entry Date:

(a) Be an active Employee of Employer;

(b) Have attained Normal Retirement Age, as set forth in the applicable Schedule for his Benefit Group; and

(c) Be eligible for the DROP under the applicable Schedule for his Benefit Group.

Eligible Participants may make a DROP election at any time after satisfying these requirements.

19.4 Election to Participate in the DROP

An eligible Participant's election to participate in the DROP is subject to the following conditions:

(a) Except as otherwise provided in this Article, a Participant's election to participate in the DROP is irrevocable;

(b) The Participant's DROP Entry Date shall ~~be the beginning of a full pay period;~~**~~(c)~~** ~~The Participant's DROP Entry Date shall~~ not be earlier than ~~90~~30 days after the date the election is filed with the Board of Trustees; and

(c) ~~**(d)**~~ The Participant's DROP Entry Date shall not be earlier than the Participant's Normal Retirement Age.

For participation in the DROP to be effective, the Participant's election must be approved by the Board of Trustees.

19.5 Credits to a DROP Participant's DROP Account

Credits to a Participant's DROP Account begin on the Participant's DROP Entry Date and continue until the end of the Participant's DROP Period. Credits shall not be made to a Participant's DROP Account for a period that occurs after the Participant's Severance from Employment. Credits to a Participant's DROP Account consist of the following:

(a) A monthly amount equal to the Participant's Normal Retirement Benefit as of the Participant's DROP Entry Date and calculated based on the form of distribution elected by the Participant in his DROP election; and

(b) Interest on the Participant's DROP Account balance at the end of the prior fiscal year computed at a rate determined by the Board of Trustees and credited

at the end of the current fiscal year. The initial rate shall be four percent per annum and shall be reviewed not less than annually by the Board of Trustees at the beginning of each Plan Year. The Board of Trustees may adjust the interest rate prospectively so that the impact of the DROP will not result in more than an immaterial increase in Employer's normal cost of annually funding the Defined Benefit Plan.

Prior to a distribution of benefits, Participants' DROP Accounts shall not be segregated from other assets of the Defined Benefit Plan.

19.6 Severance From Employment at Conclusion of DROP Period

Except as otherwise provided in Sections 19.8 and 19.9, upon the conclusion of a Participant's DROP Period, the Participant shall have a Severance from Employment and shall be retired. The Participant's DROP Benefit and the remainder of his monthly pension benefit shall be distributed to the Participant as provided in Section 19.7.

19.7 Distribution of Benefits at Conclusion of DROP Period

Upon the conclusion of the Participant's DROP Period, the Participant may elect to receive his DROP Benefit in a lump sum payment, or as an Eligible Rollover Distribution. Distribution of the Participant's DROP Benefit shall be made within 60 days of the Participant's Severance from Employment. The Participant shall also receive a monthly pension benefit equal to his Normal Retirement Benefit calculated as of his DROP Entry Date and based on the form of distribution elected by the Participant in his DROP election.

19.8 Death Before Distribution of Benefits

Except as otherwise provided in Section 19.9, if a DROP Participant dies before receiving a distribution of his DROP benefit, his Beneficiary shall receive the Participant's DROP Benefit in a lump sum payment or as an Eligible Rollover Distribution, and the remainder of the Normal Retirement Benefit elected by the Participant in his DROP election, if any, shall be distributed as provided in Section 19.7. The distribution of the remainder of the Normal Retirement Benefit, if any, depends on the form of distribution elected by the Participant in his DROP election.

19.9 Service-Connected Death or Disability of a DROP Participant

Upon a service-connected death or a service-connected total disability of a DROP Participant, the Participant shall be terminated from the DROP as if the Participant had never participated in the DROP. The Participant shall forfeit the Participant's DROP Account, but he (or his Beneficiaries) shall be eligible to receive benefits under the Defined Benefit Plan as though the Participant never elected the DROP.

19.10 Re-Hire

A DROP Participant shall not return to regular employment with Employer. Once entering the DROP, the Participant is in the DROP until his Severance from Employment, at which time the Participant is retired. A Retiree may be re-hired by Employer and eligible to

participate in the Defined Benefit Plan, subject to the provisions of Article 3. But a former DROP Participant who is rehired by Employer shall not be eligible to again participate in the DROP. A rehired Retiree who had not been a former DROP Participant may be eligible to enter the DROP if the Employee otherwise meets the eligibility requirements of Section 19.3. In such a case, the retirement benefit for purposes of credits to the DROP account shall be determined by reference to Article 16.

19.11 Eligible Domestic Relations Order

Unless an Eligible Domestic Relations Order states otherwise, DROP benefits are assumed not to be included in the division of a Participant's Accrued Benefit under the Defined Benefit Plan.

19.12 Section 415 Limits

For purposes of Section 415 of the Code, the DROP shall be a Defined Benefit Plan.

19.13 Regulations

The Board of Trustees shall, by regulation, provide for additional details of implementation and interpretation of this Article.

Signature

The City has signed the City of Wyoming Defined Benefit Plan this _____ day of _____, ~~2011.~~2015.

CITY OF WYOMING

By_____

Its_____

Section	Provision
	the applicable percentage of the Participant's Average Monthly Compensation (excluding overtime) described in Section 5.2(b) for Years of Credited Service earned after June 30, 2016.
3.1	Eligibility to Participate A member of this Benefit Group whose initial Date of Employment is after February 6, 2006, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan. A Participant in the Defined Benefit Plan who elects to begin participation in the Defined Contribution Plan but does not elect to transfer his Accrued Benefit to the Defined Contribution Plan shall remain a Participant in the Defined Benefit Plan with respect to his frozen Accrued Benefit.
~~3.1(h)~~3.4	Election to Freeze Participation in Defined Benefit Plan and Participate in Defined Contribution Plan For the time period before the date specified in the Collective Bargaining Agreement with the Wyoming City Employees Union, members of the General Benefit Group may make an irrevocable election to cease accruing benefits under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan. The election must be made in accordance with the administrative rules established by the City, and shall be effective no later than the date specified in the applicable Collective Bargaining Agreement. If a Participant does not make a timely election to cease accruing benefits under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan, the Participant shall continue to participate in the Defined Benefit Plan.
~~3.6~~	Transfer to Defined Contribution Plan A Participant who makes an election under Section ~~3.1(h)~~3.4 may also elect to have the lump sum Actuarial Equivalent of his Accrued Benefit as of the effective date of the election transferred to the Defined Contribution Plan as soon as administratively feasible after the date his participation in the Defined Benefit Plan ceases. The lump sum Actuarial Equivalent shall be calculated based on actuarial assumptions determined by the Board of Trustees after consultation with the Actuary. If a Participant is married on the date the election is made, the

Schedule B
to the
City of Wyoming
Defined Benefit Pension Plan

Administrative and Supervisory Benefit Group

Section	**Provision**
2.6	Definition of Average Monthly Compensation Average Monthly Compensation means the monthly average of the Participant's Compensation earned during the 36 highest paid consecutive months. However, for a Participant who has less than 36 consecutive months, "Average Monthly Compensation" means the monthly average of the Compensation earned prior to his Severance from Employment.
3.1	Eligibility to Participate. A member of this Benefit Group whose initial Date of Employment is on or after September 6, 2005, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan.
~~3.1(h)~~3.4	Election to Freeze Participation in Defined Benefit Plan and Participate in Defined Contribution Plan For the time period before the date specified in the Collective Bargaining Agreement for the Administrative and Supervisory Benefit Group, members of this Benefit Group may make an irrevocable election to cease accruing benefits under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan. The election must be made in accordance with the administrative rules established by the City, and shall be effective no later than the date specified in the applicable Collective Bargaining Agreement. If a Participant does not make a timely election to cease accruing benefits under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan, the Participant shall continue to participate in the Defined Benefit Plan.
~~3.6~~	Transfer to Defined Contribution Plan A Participant who makes an election under Section ~~3.1(h)~~3.4 may also elect to have the lump sum Actuarial Equivalent of his Accrued Benefit as of the effective date of the election transferred to the Defined Contribution Plan as soon as administratively feasible after the date his participation in the Defined Benefit Plan ceases. The lump sum Actuarial Equivalent shall be calculated based on

Section	Provision
	actuarial assumptions determined by the Board of Trustees after consultation with the Actuary. If a Participant is married on the date the election is made, the election shall be valid only if the Participant's Spouse consents in writing to the election. The Spouse's written consent must be witnessed by a notary public.
5.1	Definition of Normal Retirement Age Normal Retirement Age means the Participant has attained age 60 and completed at least 5 Years of Credited Service. ~~However, the age requirement for a Participant in this Benefit Group who is employed by the fire department (i.e., the chief appointed before July 1, 2010) shall be reduced to age 55.~~
5.2(b)	Benefit Formula The benefit formula is the Participant's Years of Credited Service multiplied by the following percentage of the Participant's Average Monthly Compensation:

Participant's Date of Retirement	Benefit Percentage
Before July 1, 2011	See Article IV of Chapter 58 of the City Code
July 1, 2011 through June 30, 2016	2.35
On or after July 1, 2016	
Service prior	2.35 for Years of Credited to July 1, 2016 and
Service after	2.15 for Years of Credited June 30, 2016 and before July 1, 2018 and 1.95 for Years of Credited Service after June 30, 2018 unless the Participant makes the election described in Section 12.1

Schedule E
to the
City of Wyoming
Defined Benefit Pension Plan

Police ECO Benefit Group

Section	**Provision**
2.6	Definition of Average Monthly Compensation Average Monthly Compensation means the monthly average of the Participant's Compensation earned during the 36 highest paid consecutive months during the 60 months immediately preceding his Severance from Employment. However, for a Participant who has less than 36 consecutive months, "Average Monthly Compensation" means the monthly average of the Compensation earned prior to his Severance from Employment.
3.1	Eligibility to Participate. A member of this Benefit Group whose initial Date of Employment is after November 7, 2005, or who is a Participant in the Defined Contribution Plan is ineligible to participate in the Defined Benefit Plan.
~~3.1(h)~~	~~Election to Transfer to Defined Contribution Plan For the time period between May 17, 2010, and December 31, 2010, members of the Police ECO Benefit Group who have less than 10 Years of Credited Service may make an irrevocable election to cease accruing benefits under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan. The election must be made on or before November 1, 2010, and shall be effective no later than December 31, 2010.~~ ~~A Participant who makes this election shall have the lump sum Actuarial Equivalent of his Accrued Benefit as of the effective date of the election transferred to the Defined Contribution Plan as soon as administratively feasible after the date his participation in the Defined Benefit Plan ceases. The lump sum Actuarial Equivalent shall be calculated as provided in Section 2.3.~~ ~~If a Participant does not make a timely election, the Participant shall continue to participate in the Defined Benefit Plan.~~

Section	Provision
	~~If a Participant is married on the date the election is made, the election shall be valid only if the Participant's Spouse consents in writing to the election. The Spouse's written consent must be witnessed by a notary public.~~
5.1	Definition of Normal Retirement Age Normal Retirement Age means the Participant has attained age 55 and completed at least 10 Years of Credited Service.
5.2(b)	Benefit Formula The benefit formula shall be the Participant's Years of Credited Service multiplied by the following percentage of the Participant's Average Monthly Compensation:

Participant's Date of Retirement	Benefit Percentage
Before July 1 2011	See Article IV of Chapter 58 of the City Code
July 1, 2011	2.35

5.2(c)	Annual Pension Adjustment There shall be no annual pension adjustment.
6.1	Definition of Early Retirement Age Participants in the Police ECO Benefit Group are not eligible for an Early Retirement Benefit.
7.1	Service Requirement for Eligibility for a Temporary Disability Benefit The service requirement eligibility for a Temporary Disability Benefit is that the Participant has completed at least 10 Years of Credited Service.
7.6	Duty Disability - Special Rules No special rules apply to Participants in the Police ECO Benefit Group who experience a duty disability.
8.1(c)	Service Requirement for Eligibility for a Death Benefit The service requirement for eligibility for a death benefit is that the Participant has completed at least 10 Years of Credited Service.

Section	**Provision**
9.1	Service Requirement for Eligibility for a Deferred Vested Benefit The service requirement for eligibility for a Deferred Vested Benefit is that the Participant has completed at least 10 Years of Credited Service.
11.3	Coordination With Workers' Disability Compensation Benefits Benefits payable under the Defined Benefit Plan shall be fully coordinated (to the extent permitted by applicable law) with workers' disability compensation benefits. However, a Participant who is receiving a duty disability pension shall have benefits coordinated until the Participant reaches age 50 as follows: The Defined Benefit Plan benefit shall be paid first, then the workers' disability compensation benefit shall be payable to the extent the total combined benefit equals 100 percent of the Participant's net after-tax wages at the time the Participant becomes disabled. Upon attainment of age 50, full coordination shall apply.
~~13.1~~	~~Compulsory Retirement Compulsory retirement does not apply to members of the Police ECO Benefit Group~~
19.3	Eligibility for the DROP Participants in the Police ECO Benefit Group are ineligible for the DROP.

Schedule G
to the
City of Wyoming
Defined Benefit Pension Plan

Administrative Contract Group

The provisions of Schedule B shall apply to members of this Benefit Group.

CITY OF WYOMING

DEFINED CONTRIBUTION PLAN

(Restated effective as of July 1, 2015)

Prepared by:
Miller Johnson
250 Monroe Avenue, N.W., Suite 800
P.O. Box 306
Grand Rapids, MI 49501-0306
(616) 831-1700

INDEX

Page

Article 1 Establishment of the Plan....1

1.1 History of the Defined Contribution Plan....1
1.2 This Document....1
1.3 Organization of the Plan....1

Article 2 Benefit Definitions....1

Article 3 Participation....11

3.1 Eligible Employees....11
3.2 Date of Participation....12
3.3 Participation After Reemployment....12
3.4 Transfer Between Benefit Groups....12
3.5 Transfer to Ineligible Job Classification....12

Article 4 Employer Contributions....12

4.1 Eligibility to Receive a Contribution....12
4.2 Amount of Contribution....13
4.3 Time for Payment of Contributions....13
4.4 Limits on Annual Additions....13

Article 5 Participants' Accounts....15

5.1 Establishment of Accounts....15
5.2 Vested Portion of Accounts....15
5.3 Investment of Accounts....17

Article 6 Adjustments to Accounts....18

6.1 Value of Accounts....18
6.2 Subtractions From Accounts....18
6.3 Additions to Accounts....18
6.4 Adjustment for Errors....18

Article 7 Distribution of Benefits....18

7.1 Time of Distribution....18
7.2 Amount of Distribution....20
7.3 Method of Distribution....20
7.4 Distributions After the Participant's Death....20
7.5 Distributions Pursuant to a Qualified Domestic Relations Order....20
7.6 Eligible Rollover Distributions....21
7.7 Minimum Required Distributions....22
7.8 Lost Participants and Uncashed Benefit Checks....22

Page

Article 8 Trust Fund and Trustee 23

8.1 Trust Fund 23
8.2 Acceptance of Trust by the Board of Trustees 23
8.3 Trust Fund 23
8.4 Contributions to the Trust Fund 24
8.5 Nonreversion of Trust Fund Assets 24
8.6 Reasonable Administrative Expenses 24
8.7 Investment Powers Trustee 24
8.8 Types of Investments 25
8.9 Commingled Investment 25
8.10 Investment Managers 25
8.11 Payment of Taxes 26
8.12 Powers and Rights of Board of Trustees with Respect to Management of the Trust Fund 26
8.13 Records of Board of Trustees 28
8.14 Annual Accounting by Board of Trustees 28
8.15 Release of Board of Trustees 28
8.16 Settlement of Board of Trustees' Accountings 29
8.17 Legal Proceedings for Settlement of Accountings or Administration of Trust Fund 29
8.18 Compensation of Board of Trustees 29
8.19 Removal or Resignation of Board of Trustees 29
8.20 Successor Trustee 29

Article 9 Administration 30

9.1 Administrative Powers of Board of Trustees 30
9.2 Ability to Delegate Authority 31
9.3 Indemnification 31
9.4 Standard of Care 31
9.5 Employment of Agents by Board of Trustees 31
9.6 Appeal Procedure 32

Article 10 Rights of Participants 33

10.1 No Employment Rights 33
10.2 No Participant Interest in Trust Fund 33
10.3 Spendthrift Provision 33
10.4 Military Service 33

Article 11 Plan Amendment, Merger and Termination 34

11.1 Plan Amendment 34
11.2 Merger or Consolidation 34
11.3 Termination of Plan 35

Page

Article 12 Miscellaneous Provisions....35

12.1 Age....35
12.2 Uniformity of Treatment....35
12.3 Notices and Elections....35
12.4 Construction....36
12.5 Governing law....36
12.6 Collective Bargaining Agreement....36

Signature....36

Schedule A....37

Schedule B....39

Schedule C....41

Schedule D....42

Schedule E....43

Schedule F....44

Schedule G....45

CITY OF WYOMING

DEFINED CONTRIBUTION PLAN

Article 1

Establishment of the Plan

1.1 History of the Defined Contribution Plan

The City established its Retirement System effective as of October 1, 1962. The Retirement System provided a defined benefit pension for eligible Employees. The City revised its Retirement System by adopting the Defined Contribution Plan effective as of September 6, 2005, for the purpose of providing retirement benefits to eligible Employees. The Defined Contribution Plan was most recently amended and restated effective July 1, 2011. The Defined Contribution Plan and the Defined Benefit Plan together comprise the Retirement System.

1.2 This Document

By this document the City is amending and restating the Defined Contribution Plan effective July 1, 2015. The amended and restated Defined Contribution Plan is intended to meet the requirements of Sections 401(a) and 501(a) of the Code which are applicable to qualified retirement plans established by governmental employers.

1.3 Organization of the Plan

The Defined Contribution Plan applies to Employees in various Benefit Groups. The provisions of the Plan which apply to a specific Benefit Group are called a Sub-Plan.

The initial portion of the Plan, called the Basic Provisions, applies to all Participants. The Schedules, which are attached to the initial portion of the Plan, set forth the terms and conditions which apply to each Benefit Group. The specific Defined Contribution Plan provisions applicable to each Benefit Group are set forth in the applicable Schedule for that Benefit Group, except as otherwise provided in the applicable Collective Bargaining Agreement (in the case of a Participant who is a member of a Union) or in the applicable employment agreement (in the case of a Participant who is not a member of a Union). For each Benefit Group, the Sub-Plan consists of the Basic Provisions and the applicable Schedule.

Article 2

Benefit Definitions

The following words, terms and phrases, shall have the meanings ascribed to them in this Article, except where the context clearly indicates a different meaning. All references to specific Articles or Sections shall refer to Articles or Sections of the Defined Contribution Plan unless otherwise stated.

2.1 Account

"Account" means the Account maintained for a Participant to record contributions made for the Participant.

2.2 Anniversary Year

"Anniversary Year" means the 12-consecutive-month period beginning on the Employee's Date of Employment.

2.3 Basic Provisions

"Basic Provisions" are the provisions of the Defined Contribution Plan which apply to all Participants. The Basic Provisions are the terms and conditions of the Defined Contribution Plan other than the Schedules.

2.4 Beneficiary

"Beneficiary" means the Beneficiary designated by the Participant on a form provided by the Plan Administrator. Spousal consent is required if the Participant designates a Beneficiary in addition to, or other than, his Spouse.

Except as otherwise provided in the Defined Contribution Plan, the Participant may change the Beneficiary designation at any time by completing and filing a new form with the Plan Administrator.

The Participant may designate a trust as a Beneficiary. If this occurs, the Plan Administrator shall have no responsibility for determining the validity, existence or provisions of that trust. Further, the Plan Administrator shall have no responsibility for the application of sums paid to that trustee or for the discharge of the trust.

If a Participant designates the Participant's Spouse as Beneficiary and the Participant and Spouse are subsequently divorced, the judgment of divorce shall be considered to revoke the prior Beneficiary designation of the Spouse unless otherwise provided in a Qualified Domestic Relations Order.

The rules of this paragraph apply unless provided otherwise in a Participant's Beneficiary designation form. If a Participant designates one primary Beneficiary and the Beneficiary dies after the Participant but before benefit payments are completed, any remaining benefits shall be payable to the secondary Beneficiary. If a Participant fails to designate a secondary Beneficiary or if no secondary Beneficiary survives the primary Beneficiary, any remaining benefits shall be payable to the deceased primary Beneficiary's heirs in the manner described in the next paragraph. If a Participant designates more than one primary Beneficiary or more than one secondary Beneficiary and a Beneficiary dies before benefit payments are made, the share payable to the deceased Beneficiary shall be paid to the deceased Beneficiary's heirs in the manner described in the next paragraph as if the Beneficiary was the Participant.

If a Participant fails to designate a Beneficiary or if no Beneficiary survives a Participant, distribution shall be made in equal shares to the member of the first of the classes listed below having a living member on the date the distribution is payable. The classes, in order of priority, are as follows:

(a) The individual's Spouse;

(b) The individual's children or their then-living issue, by right of representation; and

(c) The individual's estate, if under active administration, and if not, the legal heirs of the individual under the laws of the individual's state of residence on the date of the individual's death.

A Beneficiary is permitted to disclaim the Beneficiary's rights to a death benefit under the Plan to the extent permitted by applicable law. If this occurs, the Beneficiary shall be treated as predeceasing the Participant for purposes of this Section.

The records of the Plan Administrator shall be conclusive as to the proper payee and the amount payable. A distribution made based upon these facts shall be treated as a complete discharge of all obligations under the Plan.

2.5 Benefit Administrator

"Benefit Administrator" means the entity to which the Plan Administrator has delegated responsibility for the administration of the Plan.

2.6 Benefit Group

"Benefit Group" means the group of Employees designated for the purpose of determining benefit eligibility, benefit conditions, benefit amounts and contribution amounts applicable to a Participant. The Benefit Groups are as follows:

(a) **General Benefit Group** The General Benefit Group shall include all Participants who are members of the Wyoming City Employees Union.

(b) **Administrative and Supervisory Benefit Group** The Administrative and Supervisory Benefit Group shall include all Participants who are members of the Wyoming Administrative and Supervisory Employees Association.

(c) **Police Command Benefit Group** The Police Command Benefit Group shall include all Participants who are members of the Police Officers Labor Council Wyoming Command Division. A police chief or deputy police chief appointed after July 1, 2010, is also a member of this Benefit Group (and is not a member of the Administrative Contract Group) if he was a member of this Benefit Group immediately before being appointed to the position of police chief or deputy police chief.

(d) **Police Nonsupervisory Benefit Group** The Police Nonsupervisory Benefit Group shall include all Participants who are members of the Police Officers Labor Council Wyoming Division.

(e) **Police ECO Benefit Group** The Police ECO Benefit Group shall include all Participants who were members of the Wyoming Police Officers Labor Council Emergency Communications Operators Unit.

(f) **Fire Benefit Group** The Fire Benefit Group shall include all Participants who are members of the Wyoming Fire Fighters Association. A fire chief or deputy fire chief appointed after July 1, 2010, is also a member of this Benefit Group (and is not a member of the Administrative Contract Group) if he was a member of this Benefit Group immediately before being appointed to the position of fire chief or deputy fire chief.

(g) **Administrative Contract Benefit Group** The Administrative Contract Benefit Group shall include all non-Union Participants who are classified as full-time Employees, whose terms of employment with Employer are set forth in an individual employment contract, and whose job classification is not specifically included in another Benefit Group. (This also includes those individuals who were appointed police chief, deputy police chief, fire chief and deputy fire chief before July 1, 2010.)

For purposes of this definition, an Employee is considered to be a "member" of a Union if the Employee is included in the bargaining unit represented by that Union.

2.7 Board of Trustees

"Board of Trustees" means the governing body of the Retirement System, which is described in Article 14 of the Defined Benefit Plan.

2.8 Break in Service

"Break in Service" means an Anniversary Year during which a Participant has not completed more than 500 Hours of Service. However, a Participant shall not incur a Break in Service during any Anniversary Year in which the Participant is on a leave of absence under the Family and Medical Leave Act of 1993, as amended.

2.9 Calendar Year

"Calendar Year" means the 12-consecutive-month period beginning on January 1 and ending on the following December 31.

2.10 City

"City" means the City of Wyoming, Michigan.

2.11 Code

"Code" means the Internal Revenue Code of 1986, as amended, including any applicable regulations.

2.12 Collective Bargaining Agreement

"Collective Bargaining Agreement" means the collective bargaining agreement currently in effect between Employer and a Union, provided retirement benefits were the subject of good faith bargaining.

2.13 Compensation

"Compensation" means base salary or wages received for regular hours worked, including annual payments for dual trained Employees, Deemed Section 125 Compensation, and pay reduction contributions to a qualified transportation fringe benefit plan under Section 132(f) of the Code or to an eligible deferred compensation plan under Section 457(b) of the Code, any Differential Wage Payments or wages while absent from work on account of illness, vacation and holiday time taken.

Except as otherwise provided in an applicable Schedule, Compensation shall not include any remuneration or reimbursement not specifically stated above, including, but not limited to, payments received for overtime, shift premium, disability income plan, pay in lieu of vacation, longevity, sick leave (including workers' compensation except as provided under Section 4.2), incentive pay, pay for performance bonuses, cleaning, clothing and food allowances and amounts received for opting out of Employer-provided health insurance.

Compensation of each Participant in a Plan Year shall be limited to the maximum amount permitted by Section 401(a)(17) of the Code (the "Dollar Limit"). The Dollar Limit for the Plan Year that begins in 2015 is $265,000. The Dollar Limit shall be increased in accordance with the provisions of Section 401(a)(17)(B) of the Code.

2.14 Covered Employment

"Covered Employment" means employment by Employer in a job classification that is eligible for participation in the Defined Contribution Plan under Section 3.1.

2.15 Date of Employment

"Date of Employment" means the date on which an Employee performs his first Hour of Service for Employer. However, see Section 3.3 for the Date of Employment of certain reemployed Employees.

2.16 Deemed Section 125 Compensation

"Deemed Section 125 Compensation" means a Participant's pre-tax contributions to a cafeteria plan under Section 125 of the Code in the following situation:

(a) The Participant makes pre-tax contributions towards the cost of health coverage made available by Employer; and

(b) The Participant is permitted to waive health coverage made available by Employer only if the Participant certifies that the Participant has other health coverage; and

(c) The Participant does not have other health coverage available and, as a result, is required to elect health coverage made available by Employer; and

(d) Employer does not request or collect information regarding the Participant's other health coverage during the health plan's enrollment process.

2.17 <u>Defined Benefit Plan</u>

"Defined Benefit Plan" means the City of Wyoming Defined Benefit Plan.

2.18 <u>Defined Contribution Plan</u>

"Defined Contribution Plan" means the City of Wyoming Defined Contribution Plan, as described in this document.

2.19 <u>Differential Wage Payment</u>

"Differential Wage Payment" means a payment under Section 3401(h) of the Code that is paid to a Participant during any period when the Participant is performing Qualified Military Service while on active duty for more than 30 days.

2.20 <u>Direct Rollover</u>

"Direct Rollover" means the payment of an Eligible Rollover Distribution by the Plan to an Eligible Retirement Plan specified by the Distributee if the Distributee is a Beneficiary who is not the Participant's Spouse, however, the Direct Rollover only may be made to an IRA or Roth IRA.

2.21 <u>Distributee</u>

"Distributee" means a Participant, the Participant's Spouse, an alternate payee under a Qualified Domestic Relations Order, or a Beneficiary who is not the Participant's Spouse.

2.22 <u>Eligible Retirement Plan</u>

"Eligible Retirement Plan" means:

(a) An IRA or Roth IRA;

(b) A plan described in Sections 403(a) or 403(b) of the Code;

(c) A Qualified Plan; and

(d) An eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state (an "Eligible Section 457 Plan"). However, if a Distributee receives an Eligible Rollover Distribution from the Plan, an Eligible Section 457 Plan is only an Eligible Retirement Plan if it agrees to separately account for amounts transferred into such plan from this Plan.

2.23 <u>Eligible Rollover Distribution</u>

"Eligible Rollover Distribution" means an eligible rollover distribution under Section 402(c)(4) of the Code. This includes any distribution from a Participant's Account, except a distribution after a Participant attains age 70½ that is required under Section 401(a)(9) of the Code.

2.24 <u>Employee</u>

"Employee" means any person who is on Employer's payroll and is treated by Employer for tax purposes as Employer's common-law employee. Employee also means any Leased Employee who is deemed to be a Leased Employee of Employer under Section 414(n) or (o) of the Code.

2.25 <u>Employer</u>

"Employer" means the City, the 62A District Court and the Wyoming Housing Commission.

2.26 <u>Employer Contribution</u>

"Employer Contribution" means an Employer contribution under Section 4.2 on behalf of a Participant.

2.27 <u>Forfeiture</u>

"Forfeiture" means the forfeiture of the nonvested portion of the Account of a Participant under the terms of the Defined Contribution Plan.

2.28 <u>HEART Act</u>

"HEART Act" means the Heroes Earnings Assistance and Relief Tax Act of 2008.

2.29 <u>Hour of Service</u>

"Hour of Service" means:

(a) Each hour for which an Employee is paid or entitled to be paid by Employer for the performance of duties for Employer during the applicable computation period.

(b) Each hour for which an Employee is directly or indirectly paid or entitled to be paid by Employer, an amount equal to 100% of the Employee's regular Compensation, but for which no duties are performed (whether or not the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, or Employer-approved leave of absence.

(c) If an Employee has an authorized leave of absence or a Severance from Employment because of Qualified Military Service, the Employee shall be credited with Hours of Service for the hours the Employee would have been scheduled to work during the Period of Qualified Military Service, provided the Employee applies for, and resumes, employment with Employer within the time limits established by USERRA. An Employee shall receive credit for hours of service under this provision only to the extent required by USERRA (or any successor law).

An Employee for whom Employer does not maintain a record of the number of hours worked will be credited with the number of Hours of Service he is regularly scheduled to work for each day during which he would otherwise be credited with at least one Hour of Service.

Any Hours of Service for which an Employee is paid overtime shall be credited on the basis of the actual hours worked and not the hours paid. The payroll and other records of Employer shall be used to determine an Employee's Hours of Service.

2.30 <u>IRA</u>

"IRA" means an individual retirement account described in Section 408(a) of the Code, or an individual retirement annuity described in Section 408(b)of the Code.

2.31 <u>Leased Employee</u>

"Leased Employee" means any person who is not a common-law employee of Employer and who performs services for Employer under the following circumstances:

(a) The services are pursuant to an agreement between a leasing organization and Employer;

(b) The person performs the services for Employer on a substantially full-time basis for at least one year; and

(c) The services are performed under the primary direction or control of Employer.

A Leased Employee shall not be considered an Employee of Employer if:

(a) The leased employee is covered by a money purchase pension plan providing:

(1) A nonintegrated employer contribution equal to at least 10 percent of the leased employee's Section 415 Compensation;

(2) Immediate participation; and

(3) Full and immediate vesting; and

(b) Leased employees do not constitute more than 20 percent of Employer's "nonhighly compensated work force," as defined in Section 414(n)(5)(C)(ii) of the Code.

2.32 <u>Participant</u>

"Participant" means an Employee or former Employee who has met the requirements for participation under Section 3.1 and whose Account has not been distributed or forfeited.

2.33 <u>Period of Qualified Military Service</u>

"Period of Qualified Military Service" means the period of time an Employee is absent from employment because of the Employee's performance of Qualified Military Service.

2.34 <u>Plan Administrator</u>

"Plan Administrator" means the named fiduciary responsible for the operation and administration of the Defined Contribution Plan. The Board of Trustees shall be the Plan Administrator.

2.35 <u>Plan Year</u>

"Plan Year" means the 12-consecutive-month period beginning on July 1 and ending on the following June 30.

2.36 <u>Qualified Domestic Relations Order</u>

"Qualified Domestic Relations Order" or "QDRO" means a qualified domestic relations order under Code Section 414(p). The attorney for the Board of Trustees shall determine whether a judicial order which requires payment of Defined Contribution Plan benefits to an alternate payee is a Qualified Domestic Relations Order.

2.37 <u>Qualified Military Service</u>

"Qualified Military Service" means qualified military service under Section 414(u)(5) of the Code. An individual is performing Qualified Military Service only if the individual is entitled to reemployment rights under USERRA.

2.38 Qualified Plan

"Qualified Plan" means a retirement plan meeting the requirements of Sections 401(a) and 501(a) of the Code.

2.39 Retirement System

"Retirement System" means the Defined Benefit Plan and the Defined Contribution Plan.

2.40 Roth IRA

"Roth IRA" means a Roth individual retirement account or annuity under Section 408(A) of the Code.

2.41 Schedules

"Schedules" means the schedules attached to, and incorporated into, the Defined Contribution Plan. Each Schedule sets forth the specific Defined Contribution Plan provisions that apply to a particular Benefit Group.

2.42 Section 415 Compensation

"Section 415 Compensation" means compensation as defined in Section 4.4(b)(2).

2.43 Severance from Employment

"Severance From Employment" means the individual has ceased to be an Employee of an employer maintaining the Plan. The personnel policies of the employer that most recently employed the Employee shall be used in determining whether a Severance from Employment has occurred.

2.44 Spouse

"Spouse" means the person to whom a Participant is legally married at the time of his death. A former spouse shall be treated as a Spouse for purposes of the Defined Contribution Plan to the extent provided under a Qualified Domestic Relations Order.

2.45 Total Disability

"Total Disability" means a total and permanent inability of the Participant to perform the duties of his employment, as a result of a physical or mental condition of the Participant. The existence of a Total Disability shall be established by the certification of a physician or physicians selected by the Board of Trustees, unless the Board of Trustees determines that an examination is unnecessary.

2.46 Trust Fund

"Trust Fund" means the assets held by the Board of Trustees under Article 8.

2.47 Unions

"Unions" mean the Unions whose members are eligible to participate in the Defined Contribution Plan. These Unions are as follows:

(a) Wyoming City Employees Union.

(b) Wyoming Administrative and Supervisory Employees Association.

(c) Police Officers Labor Council Wyoming Command Division.

(d) Police Officers Labor Council Wyoming Division.

(e) Wyoming Fire Fighters Association.

For purposes of this definition, an Employee is considered to be a "member" of a Union if the Employee is included in the bargaining unit represented by that Union.

2.48 USERRA

"USERRA" means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

Article 3

Participation

3.1 Eligible Employees

Each Employee who is normally scheduled to work at least 1,000 Hours of Service during a Plan Year shall be eligible to participate in the Defined Contribution Plan as provided in the Schedule that applies to the Employee's Benefit Group, except that the following shall be ineligible to participate in the Defined Contribution Plan:

(a) Any Employee who is currently earning a benefit under the Defined Benefit Plan.

(b) Any individual who is treated as an independent contractor for purposes of income tax withholding by the City.

(c) Any elected official of the City.

(d) Any individual who serves on a City board or commission, whether appointed or elected.

(e) Any person who is treated as the common-law employee of a leasing organization, including a Leased Employee.

(f) Any paid on-call or part-time fire fighter.

(g) Any temporary, part-time or seasonal Employee, including but not limited to an Employee employed for an emergency.

(h) Any individual who is a Team 21 Employee who is not a member of a Union and does not pay the service fees of a Union. For purposes of this Section, an Employee is considered to be a "member" of a Union if the Employee is included in the bargaining unit represented by that Union.

An Employee who is eligible under this Section shall be considered to work in Covered Employment and shall become a Participant on the applicable date provided in Section 3.2.

3.2 Date of Participation

Each Employee who works in Covered Employment shall become a Participant on the Employee's Date of Employment.

3.3 Participation After Reemployment

If an Employee has a Severance from Employment after becoming a Participant and is subsequently reemployed by Employer, he shall again be a Participant immediately upon being rehired by Employer in Covered Employment.

3.4 Transfer Between Benefit Groups

A Participant who transfers from one Benefit Group to another Benefit Group shall continue to participate in the Defined Contribution Plan.

3.5 Transfer to Ineligible Job Classification

A Participant who is transferred to a job classification which is not Covered Employment shall be ineligible to have additional contributions made to the Defined Contribution Plan on his behalf, except that the Participant shall receive an Employer Contribution for the time period during which the Participant worked in Covered Employment. The Employee shall continue as a Participant until his Account is distributed or forfeited under the terms of the Defined Contribution Plan.

Article 4

Employer Contributions

4.1 Eligibility to Receive a Contribution

Employer shall contribute an amount determined under Section 4.2 on behalf of each Participant who is employed in Covered Employment.

4.2 Amount of Contribution

Employer shall contribute an amount equal to a percentage of each Participant's Compensation for each payroll period. The applicable percentage is described in the Schedule that applies to the Participant's Benefit Group.

A Participant who is receiving both workers' compensation benefits and the difference between the Participant's net salary or wages, shall receive an Employer Contribution under this Section as if the Participant was actively working and receiving Compensation.

Employer Contributions shall be credited to Participants' Accounts.

4.3 Time for Payment of Contributions

Employer shall pay its Employer Contribution for a payroll period to the Trust as soon as administratively feasible following the payroll period.

4.4 Limits on Annual Additions

(a) **General Rule** The amount of Annual Additions which may be allocated to a Participant's Account for a Limitation Year shall not exceed the lesser of:

(1) $53,000, as adjusted under Section 415(d) of the Code for cost-of-living increases; or

(2) 100% of the Participant's Section 415 Compensation during the Limitation Year.

This limit on Annual Additions is called the "Section 415" Limit.

(b) **Definitions** For purposes of this Section, the following terms shall have the meanings described in this subsection:

(1) **"Annual Additions"** means the sum of the following amounts credited to a Participant's Account:

(A) Employer Contributions;

(B) Employee contributions;

(C) Forfeitures;

(D) Amounts allocated to an individual medical account under Section 415(l)(2) of the Code, which is part of a pension or annuity plan and from which benefits described in Section 401(h) of the Code are payable solely to the Participant, his spouse, or his dependents; and

(E) Amounts attributable to post-retirement medical benefits allocated to the separate account of a key employee, as defined in

Section 419A(d)(3) of the Code, under a welfare benefit fund described in Section 419(e) of the Code which is maintained by Employer.

(2) **"Section 415 Compensation"** means the sum of the following:

(A) A Participant's wages and other payments which are reported on IRS Form W-2.

(B) A Participant's pay reduction contributions to a cafeteria plan under Section 125 of the Code (including Deemed Section 125 Compensation).

(C) A Participant's pay reduction contributions to a qualified transportation fringe benefit plan under Section 132(f) of the Code.

(D) A Participant's pay reduction contributions to a deferred compensation plan under Section 457 of the Code.

(E) Amounts paid to a Participant within 2½ months after the Participant has a Severance from Employment (or the end of the Limitation Year in which the Participant's Severance from Employment occurs, if later) if:

(i) The amounts are paid for services the Participant provided to Employer before his Severance from Employment, including regular compensation, bonuses, longevity pay, sick leave, incentive pay and commissions; or

(ii) The amounts are payments for accrued sick, vacation or other leave, if the Participant would have been able to use the leave if employment continued.

(F) Any Differential Wage Payment.

A Participant's Section 415 Compensation during a Limitation Year shall not exceed the dollar limit described in Section 2.13.

If an Employee works for both Plan Sponsor and a Related Employer during a Limitation Year, his Section 415 Compensation shall include Compensation received from both Plan Sponsor and the Related Employer.

(3) **"Employer"** means Plan Sponsor and all Related Employers (as modified by Section 415(h) of the Code).

(4) **"Limitation Year"** for this Plan means the 12-consecutive-month period beginning on July 1 and ending on the following June 30.

(c) **Incorporation by Reference** To the extent not otherwise described in this Section, the provisions of Section 415 of the Code are incorporated in the Plan by reference.

Article 5

Participants' Accounts

5.1 Establishment of Accounts

The Plan Administrator or the individual or entity to whom this responsibility is delegated shall establish and maintain an Account for each Participant. The Participants' separate Accounts may be commingled for investment purposes to the extent described in Section 5.3.

5.2 Vested Portion of Accounts

(a) **Vested Percentage** Amounts credited to a Participant's Account shall be fully vested and nonforfeitable if the Participant is employed by Employer as of the date of his Total Disability or death. If a Participant has a Severance from Employment for a reason other than Total Disability or death, the vested percentage of a Participant in his Account shall be based upon his Years of Vested Service and the following vesting schedule:

Years of Vested Service	Vested Percentage
Less than 1	0%
1 or more	100%

A Participant who dies while performing Qualified Military Service shall be 100% vested in his Account.

(b) **Years of Vested Service** An Employee shall be credited with a Year of Vested Service if the Employee has at least 1,000 Hours of Service during the Anniversary Year.

(c) **Use of Forfeitures** After a Participant has a Severance from Employment, the Plan Administrator shall determine the Participant's vested benefits in his Account under subsection (a) above. The nonvested portion of his Account shall be forfeited on the date of his Severance from Employment.

Subject to subsection (d) below, Forfeitures shall be used to pay administrative expenses of the Defined Contribution Plan or reduce the Employer Contribution otherwise required to be made under Section 4.2.

(d) **Restoration of Forfeitures Upon Reemployment**

(1) **Conditions for Restoration** If a Participant has a Severance from Employment, forfeits the nonvested amount credited to his Account and is reemployed by Employer before incurring five consecutive one-year Breaks in Service, the amount forfeited shall be restored to the Participant's Account as soon as administratively feasible after the Participant is reemployed by Employer.

(2) **Source of Restoration** The restoration shall be provided out of the following sources, to the extent necessary and in the following order:

(A) From forfeitures occurring during the Plan Year, before use under subsection (c) above; and

(B) From an employer contribution made solely for the reemployed Participant.

(e) **Vested Service After Reemployment** If a Participant has a Severance from Employment and is subsequently reemployed by Employer, his prior Years of Vested Service shall be counted after his reemployment only in the following situations:

(1) If the Participant was vested in any portion of his Account before the Break in Service; or

(2) If the Participant has less than five consecutive one-year Breaks in Service.

These prior Years of Vested Service shall be taken into account after the Participant has completed one Year of Vested Service after being reemployed. However, if an amount is forfeited under subsection (c) above and not restored under subsection (d), the amount of the forfeiture shall not change even if the Participant subsequently earns additional Years of Vested Service.

(f) **Accounting After Reemployment** A reemployed Participant shall have two subaccounts for his Account if the Participant:

(1) Left the vested portion of his Account in the Plan after having a Severance from Employment; and

(2) Incurred five consecutive one-year Breaks in Service before becoming reemployed by Employer and there was a Forfeiture of the nonvested portion of his Account.

One subaccount shall be the Participant's pre-termination Account balance, which shall be 100% vested. The other subaccount shall include post-reemployment additions to the Participant's Account.

Years of Vested Service earned by the Participant after reemployment, plus any Years of Vested Service earned before reemployment and retained under subsection (e) above, shall be used to determine the vested portion of the Participant's post-reemployment subaccount. When the Participant's post-reemployment subaccount becomes 100% vested, the two subaccounts shall be merged.

Each other reemployed Participant shall have one Account. The Account shall contain any repayment and restoration of pre-termination amounts, as required by subsection (b) above, plus all post-reemployment additions. Years of Vested Service earned by the Participant after reemployment, plus any Years of Vested Service earned before reemployment and retained under subsection (b), shall be used to determine the vested portion of the Participant's Account.

(g) **Amendments to Vesting Schedule** No amendment to the Defined Contribution Plan shall have the effect of decreasing a Participant's vested benefits determined as of the later of the date the amendment is adopted or the date it becomes effective.

If the Defined Contribution Plan's vesting schedule is amended or the Defined Contribution Plan is amended in any way that directly or indirectly affects the computation of the Participant's nonforfeitable percentage, each Participant with at least three Years of Vested Service may elect, within a reasonable period after the adoption of the amendment or change, to have the nonforfeitable percentage computed under the Defined Contribution Plan without regard to the amendment or change.

The period during which the election may be made shall commence with the date the amendment is adopted or deemed to be made and shall end on the latest of:

(1) 60 days after the amendment is adopted;

(2) 60 days after the amendment becomes effective; or

(3) 60 days after the Participant receives notice of the amendment.

5.3 Investment of Accounts

The Plan Administrator shall select the investment funds in which the assets of the Defined Contribution Plan may be invested. A Participant may direct that his Account be invested in any combination of the investment funds made available by the Plan Administrator. If a Participant fails to make an investment election, his Account shall be invested in an investment fund selected by the Plan Administrator.

Any investment direction made by a Participant shall continue in effect until changed by the Participant. The Plan Administrator shall periodically establish procedures for a Participant to change his investment elections. The change in investment direction may apply to future contributions, amounts already invested or both.

The Plan Administrator may periodically change the investment funds made available to Participants. If an investment fund is eliminated and replaced by a different fund with similar investment characteristics, the Plan Administrator may direct the transfer of funds from the eliminated fund to its replacement.

The terms and conditions of making and changing investment elections shall also be subject to any requirements imposed by the financial institution or other entity which establishes the investment funds.

Article 6

Adjustments to Accounts

6.1 Value of Accounts

The investment funds under Section 5.3 shall be valued on each day the national securities exchanges are open for trading. The total value of a Participant's Account shall be the sum of the Participant's interest in each of the investment funds under Section 5.3.

6.2 Subtractions From Accounts

Any distributions to a Participant shall be subtracted from the Participant's Account. Also, any administrative fees may be subtracted from the Participant's Account.

6.3 Additions to Accounts

Amounts contributed on behalf of a Participant shall be credited to the Account of the Participant as soon as administratively feasible.

6.4 Adjustment for Errors

The Plan Administrator may correct any error by making adjustments to Participants Accounts in a manner the Plan Administrator believes shall best result in the equitable and nondiscriminatory administration of the Defined Contribution Plan and Trust Fund. Employer may make an additional or alternative contribution where appropriate to correct an error. Any contribution made under this Section shall be allocated and shall vest in a manner which corrects the error.

Article 7

Distribution of Benefits

7.1 Time of Distribution

The date on which a Participant shall receive a distribution of benefits shall be determined according to the following rules:

(a) **General Rule** A Participant may request payment of benefits at any time after his Total Disability or Severance from Employment. The Participant's Beneficiary may request payment of benefits at any time after the Participant's death. Payment shall be made as soon as administratively feasible after the distribution is requested.

If the Participant is younger than age 62 at the time he requests a distribution, the Plan Administrator shall provide the Participant with a written description of the right to defer any distribution during the 180-day period before the distribution is made. The description shall include the consequences of failing to defer receipt of benefit payments.

(b) **Age 70½ Distribution Rule** Despite any contrary election by the Participant, the distribution of benefits to a Participant shall be made no later than the Participant's required beginning date under Section 401(a)(9) of the Code. Additional information is contained in Section 7.7.

(c) **Excise Tax on Early Distributions** If a distribution from the Plan occurs before the Participant attains age 59½, an excise tax equal to 10% of the amount of the distribution may be imposed on the recipient unless one of the following exceptions applies:

(1) The distribution is rolled over to an Eligible Retirement Plan in a Direct Rollover or within 60 days after receipt.

(2) The distribution is made as a result of the Participant's Severance from Employment after the Participant attains age 55.

(3) The distribution is made as a result of the Participant's death.

(4) The distribution is made as a result of the Participant's disability within the meaning of Section 72(m)(7) of the Code.

(5) The distribution is used to pay deductible medical expenses (medical expenses exceeding 10% of adjusted gross income).

(6) The distribution is made under a Qualified Domestic Relations Order.

(7) The distribution is rolled over to a Roth IRA.

(8) The distribution is made after December 31, 2015 to a public safety employee as a result of the Participant's Severance from Employment after attaining age 50.

7.2 Amount of Distribution

The amount distributed to a Participant shall be determined by multiplying:

(a) His vested percentage in his Account as of the date of his Severance from Employment; by

(b) The amount received as a result of selling the Participant's interest in the investment funds.

The amount distributed shall also include any vested contributions made on behalf of the Participant subsequent to the sale of the Participant's interest in the investment funds.

The nonvested portion of a Participant's Account shall be forfeited as described in Section 5.2.

7.3 Method of Distribution

The vested amount in a Participant's Account shall be distributed in a single lump sum payment.

7.4 Distributions After the Participant's Death

If a Participant dies before the vested amount credited to his Account is distributed, the following rules apply:

(a) **Payment to Beneficiary** The vested amount credited to the Participant's Account shall be paid to the Participant's Beneficiary.

(b) **Time of Payment** The Beneficiary may request payment of a Participant's vested benefits at any time after the Participant's death. Payment shall be made as soon as administratively feasible after the distribution is requested.

(c) **Form of Payment** The Beneficiary shall receive a single lump sum payment.

7.5 Distributions Pursuant to a Qualified Domestic Relations Order

Benefits payable to an alternate payee under a Qualified Domestic Relations Order shall be paid in accordance with the terms of the order. However, the order may not require a distribution or any action which is impermissible under the terms of the Defined Contribution Plan and applicable law.

The order must be entered by the court and recognized by the Plan Administrator as a Qualified Domestic Relations Order before the Plan Administrator may implement the order. As soon as administratively feasible after the order is entered by the court and recognized by the Plan Administrator as a Qualified Domestic Relations Order, the Plan Administrator shall distribute the amount assigned to the alternate payee in a lump sum payment.

The alternate payee's benefits shall be distributed only from the Participant's vested benefits in his Account. The amount distributed to the alternate payee shall not exceed the Participant's vested benefits in his Account.

7.6 Eligible Rollover Distributions

If a Distributee receives an Eligible Rollover Distribution from the Plan, the following rules supersede any other provisions in this Article.

(a) Notice Requirement No less than 30 days and no more than 180 days before a distribution, the Plan Administrator shall provide the Distributee with an explanation of:

(1) The rules under which the distribution may be paid in a Direct Rollover to an Eligible Retirement Plan;

(2) The rules that require income tax withholding if the distribution is not paid in a Direct Rollover;

(3) The rules under which the Distributee may roll over the distribution within 60 days of receipt; and

(4) Any other applicable tax rules.

However, the Distributee may elect to begin receiving benefits within 30 days after being provided the notice if the Distributee is clearly informed that he has at least 30 days to decide whether to receive a Direct Rollover.

(b) Direct Rollover The Distributee may elect a Direct Rollover of the distribution to an Eligible Retirement Plan. However, the Distributee's right to elect a Direct Rollover is subject to the following:

(1) A Distributee may not elect a Direct Rollover to more than one Eligible Retirement Plan.

(2) The Distributee shall supply the Plan Administrator with any information the Plan Administrator reasonably requests in connection with the Direct Rollover.

(3) A Beneficiary who is not the Participant's Spouse may only elect a Direct Rollover to an IRA or Roth IRA of any death benefit payable to the Beneficiary. The IRA or Roth IRA shall be treated as "inherited."

(c) Income Tax Withholding Mandatory income tax withholding shall apply to the portion of the Eligible Rollover Distribution for which the Distributee does not elect a Direct Rollover.

7.7 Minimum Required Distributions

(a) In General This Section contains the minimum distribution requirements of Section 401(a)(9) of the Code, including the incidental death benefit rules in Section 401(a)(9)(G) of the Code. Distributions from the Defined Contribution Plan shall satisfy the requirements of Section 401(a)(9) of the Code and Treas. Reg. §1.401(a)(9)-1 through §1.401(a)(9)-9. These provisions shall override any other conflicting provision of the Defined Contribution Plan.

(b) Definition of Required Beginning Date Except as otherwise provided, a Participant's Required Beginning Date is the April 1 of the Calendar Year following the later of:

(1) The Calendar Year in which the Participant attains age 70½; or

(2) The Calendar Year in which the Participant's Severance from Employment occurs.

(c) Distributions During a Participant's Lifetime The following rules apply to distributions during a Participant's lifetime:

(1) When Distributions Must be Made The distribution of benefits during a Participant's lifetime shall be made no later than the Participant's Required Beginning Date.

(2) Amount of Distributions The Participant shall receive a lump sum payment of the vested amount credited to the Participant's Account.

(d) Death of the Participant If a Participant dies, the vested amount credited to a Participant's Account shall be distributed to the Participant's Beneficiary by the end of the Calendar Year that contains the fifth anniversary of the Participant's death.

7.8 Lost Participants and Uncashed Benefit Checks

(a) Forfeiture of Accounts If the vested portion of a Participant's Accounts is payable under this Article, the Plan Administrator may treat the Participant's Accounts as a Forfeiture if the following requirements are satisfied:

(1) Either (A) or (B) occur:

(A) The Plan Administrator sends a letter to the Participant's last known address regarding the distribution of the Participant's benefits (or which includes a benefit check) and the letter is returned as undeliverable; or

(B) The Plan Administrator sends the Participant's benefit check to the Participant's last known address and the check remains uncashed for 90 days; and

(2) If the Participant's vested benefit is at least $50, the Plan Administrator uses a commercial locator service and cannot find the Participant.

This step is not required if the Participant's vested benefit is less than $50.

(b) **Restoration of Account** If the Participant's Accounts are forfeited under this Section and the Participant subsequently applies for benefits under the Plan, the vested amount credited to the Participant's Accounts as of the date of the Forfeiture shall be restored to the Participant's Accounts using one of the methods described in Section 5.2(d). No investment earnings shall be credited for the period between the date of the Forfeiture (or the date of the distribution, if earlier) and the date of the restoration. The Participant shall then be entitled to receive a distribution of the Participant's vested benefits under the Plan.

(c) **Beneficiaries** The provisions in this Section that apply to a Participant shall also apply to the Participant's Beneficiary if the Participant is deceased.

Article 8

Trust Fund and Trustee

8.1 Trust Fund

The City established the Trust Fund for the purpose of holding Employer contributions to the Defined Contribution Plan. The Trust Fund shall consist of contributions made to the Board of Trustees under the Defined Contribution Plan and earnings, gains or losses, resulting from investment of the Trust Fund. The Trust Fund is intended to meet the requirements of Sections 401(a) and 501(a) of the Code.

8.2 Acceptance of Trust by the Board of Trustees

By execution of an acceptance of trust, the secretary of the Board of Trustees shall accept the trust created under this Article on behalf of the Board of Trustees. The Board of Trustees shall agree to be responsible for the management and administration of the Trust Fund in accordance with the terms of the Defined Contribution Plan.

8.3 Trust Fund

Title to the assets of the Trust Fund shall at all times be vested exclusively in the Board of Trustees. The Board of Trustees is to have exclusive authority and discretion to hold, manage and control the assets of the Trust Fund, including utilizing the services of a custodian to hold or invest the assets of the Trust Fund.

8.4 Contributions to the Trust Fund

The Board of Trustees shall be entitled to receive from Employer only the sums of money and other property which Employer pays or delivers to the Board of Trustees. The Board of Trustees shall not have the right and shall not be subject to any duty to demand from Employer any other sums of money or other property, nor to require any contributions to be made nor to determine that the contributions received comply with the Defined Contribution Plan. The contributions shall be made in cash or other property acceptable to the Board of Trustees. All contributions to the Trust Fund shall be deemed to take place in the state of Michigan.

8.5 Nonreversion of Trust Fund Assets

Employer shall have no direct or indirect interest in the Trust Fund except as follows:

(a) The Trust Fund may be used to defray the reasonable expenses of administering the Defined Contribution Plan and Trust Fund.

(b) If a contribution is made by Employer under a mistake of fact, the portion of the contribution which results from the mistake of fact may be returned to Employer within one year after the date of payment. The refunded amount shall not include any investment earnings related to the contributions made under a mistake of fact, but the amount refunded shall be reduced by any investment losses.

8.6 Reasonable Administrative Expenses

The Board of Trustees may make distributions from the Trust Fund for the payment of reasonable Defined Contribution Plan administrative expenses, including charges made by a third party administrator or recordkeeper and fees and expenses for all agency and legal services rendered to the Board of Trustees.

8.7 Investment Powers Trustee

The Board of Trustees shall direct the investment of the entire trust fund, except:

(a) Account investments directed by Participants, as provided in Section 5.3; and

(b) Any portion of the Trust Fund assigned to an investment manager, as provided in Section 8.10.

The investments of the Trust Fund shall be diversified to minimize the risk of large losses unless, under the circumstances, it is clearly prudent not to diversify investments. The Board of Trustees shall periodically determine the short-term and long-term financial requirements of the Trust Fund for use as a guide in making investment decisions.

8.8 Types of Investments

The Trust Fund shall be invested without distinction between principal and income. The Trust Fund may be invested in real estate, leaseholds, or other interests in real estate; in any and all common stocks, preferred stocks, bonds, notes, mortgages, debentures, equipment trust certificates, investment trust certificates, common trust fund units, or other securities; in interest earning deposits with financial institutions; in registered investment companies (mutual funds); or in any other property, tangible or intangible, either within or without the state of Michigan, as the Board of Trustees may deem advisable, as permitted under federal and state law when the investment is made, including the Public Employee Retirement Investment Act (MCL 33.1121, et. seq.).

The Board of Trustees may retain in cash balances and unproductive of income such portion of the Trust Fund as the circumstances reasonably require. The Board of Trustees shall not be required to pay interest on cash balances in its possession pending investment or distribution to a Participant pursuant to the Defined Contribution Plan.

8.9 Commingled Investment

The Trust Fund may be commingled for investment purposes with one or more other Qualified Plans maintained by the City. However, the assets of the Trust Fund shall only be available to pay benefits under the terms of the Defined Contribution Plan and shall not be used to pay benefits under any other Qualified Plan. The Board of Trustees shall maintain appropriate records relating to the amount of assets allocable to the Defined Contribution Plan and any other Qualified Plan that is commingled with the Defined Contribution Plan for investment purposes.

8.10 Investment Managers

The Board of Trustees may periodically select one or more investment managers to hold and invest a part, or all, of the Trust Fund.

(a) **Selection of Investment Managers** An investment manager shall be either:

(1) An investment adviser registered under the federal Investment Advisers Act of 1940;

(2) A bank, as defined in the Investment Advisers Act of 1940; or

(3) An insurance company qualified to perform investment services under the laws of more than one state.

The appointment of an investment manager shall be made and accepted in writing. The acceptance shall include an acknowledgment by the investment manager that it is a fiduciary with respect to the Defined Contribution Plan and shall be accompanied by evidence of its registration under the Investment Advisers Act, if

applicable. These documents shall be delivered to Board of Trustees, and Board of Trustees shall be fully protected in relying upon them.

(b) **Investments by Investment Managers** Each investment manager shall have sole responsibility for the investment of the assets held in the portion of the Trust Fund assigned to that investment manager. The investment manager shall use the short-term and long-term financial requirements of the Trust Fund determined by the Board of Trustees as a guide in making investment decisions. An investment manager shall not be liable for the investment results realized by any portion of the Trust Fund not assigned to it or for the decisions or investment policies of any other investment manager.

(c) **Standard of Care** The standard of care stated in Section 9.4 shall apply to any investment manager.

(d) **Trustee's Records** The accounts, books and records of the Board of Trustees shall reflect the segregation of any portion or portions of the Trust Fund assigned to investment managers.

(e) **Removal or Resignation** Unless the investment manager and the Board of Trustees otherwise agree in writing, an investment manager may resign or be removed by the Board of Trustees at any time. In the event that an investment manager resigns or is removed by the Board of Trustees, the Board of Trustees shall manage the investment of that part of the Trust Fund assigned to that investment manager until notified of the appointment of another investment manager with respect to that part of the Trust Fund.

8.11 Payment of Taxes

Any taxes assessed against the Trust Fund which the Board of Trustees is required to pay shall be charged to the Trust Fund. The Board of Trustees shall advise the City of any taxes, other than real and personal property and transfer taxes, immediately upon notice of their assessment and shall make no payment of taxes until authorized by the City. If the City advises the Board of Trustees in writing that any taxes are not lawfully assessed in the opinion of legal counsel for the City, the Board of Trustees shall, if requested, contest or join with the City in contesting the validity or amount of the taxes in any manner deemed appropriate by the City or its counsel. "Taxes," as used in this Section, includes any interest or penalties levied or imposed in respect to any taxes. Any expense incurred by the City or the Board of Trustees in contesting the validity or amount of any taxes shall be charged to the Trust Fund to the extent not paid by the City.

8.12 Powers and Rights of Board of Trustees with Respect to Management of the Trust Fund

Subject to the specific provisions of this Section, the Board of Trustees has the following powers which may be used in performing its duties in managing the assets of the Trust Fund:

(a) To sell, exchange, convey, transfer or dispose of, and also grant options with respect to, any property, whether real or personal, at any time held by it; and it may make any sale by private contract or by public auction, for cash or on credit, or partly for cash and partly on credit, as the Board of Trustees may deem best; and no person dealing with the Board of Trustees shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of the sale or other disposition;

(b) To acquire, hold and dispose of any real estate, at the time, in the manner and upon the terms the Board of Trustees may deem advisable; to retain, manage, operate, repair, improve, partition, mortgage or lease the real estate for any term or terms of years; or to exchange all or any part of the real estate for other real estate, upon the terms and conditions the Board of Trustees deems proper, using other Trust Fund assets for these purposes if deemed advisable;

(c) To compromise, compound and settle any debt or obligation to or from it as trustee; and to reduce the rate of interest on, to extend or otherwise modify, or to foreclose upon default or otherwise enforce or act with respect to the obligation;

(d) To vote, in person or by general or limited proxy, any stocks or other securities at any time held in the Trust Fund, at any meetings of stockholders or security holders, with respect to any business which may come before the meeting; to exercise any option appurtenant to any stocks, bonds, or other securities for the conversion of them into other stocks, bonds or securities; to exercise or sell any conversion or subscription rights appurtenant to any stocks, bonds, or other securities at any time held in the trust fund, and to make any and all necessary payments for them; to join in and to approve, or to dissent from and to oppose any corporate act or proceeding, including any reorganization, recapitalization, consolidation, merger, dissolution, liquidation, sale of assets or other action or plan with respect to corporations or properties, the stocks or securities of which may at any time be held in the Trust Fund; to deposit with any committee or depository, pursuant to any plan or agreement of protection, reorganization, consolidation, sale, merger, or other readjustment, any property held in the Trust Fund; and to make payment from the Trust Fund of any charges or assessments imposed by the terms of the Defined Contribution Plan;

(e) With the approval of the City, to borrow or raise moneys for the purpose of the Trust Fund, in the amount and upon the terms and conditions that the Board of Trustees, in its absolute discretion, may deem advisable; and for any sum so borrowed, to issue its promissory note as trustee, and to secure its repayment by pledging all or any part of the Trust Fund; and no person loaning money to the Board of Trustees shall be bound to see to the application of the money lent, or to inquire into the validity, expediency, or propriety of any such borrowings;

(f) To cause any investments from time to time held by it under the trust to be registered in, or transferred into, its name as trustee or the name of its nominee or nominees, and with or without designation of fiduciary capacity; or to retain any investments unregistered or in a form permitting transfer by delivery, but the books and

records of the Board of Trustees shall at all times show that all such investments are part of the Trust Fund;

(g) To enforce any right, obligation or claim in its discretion and in general to protect in any way the interests of the trust fund, either before or after default. If the Board of Trustees, in its discretion, considers it for the best interests of the Trust Fund, to abstain from the enforcement of any right, obligation or claim;

(h) To make, execute, acknowledge and deliver any and all assignments, documents of transfer and conveyance and any and all other instruments necessary or appropriate to carry out any powers granted in this Section;

(i) To do all acts which the Board of Trustees may deem necessary or proper and to exercise any and all of the powers of the Board of Trustees under this Section upon the terms and conditions the Board of Trustees may deem for the best interests of the Trust Fund and the Defined Contribution Plan; and

(j) To invest the trust fund in any investment permitted by law, subject to the terms of the Defined Contribution Plan and the Public Employee Retirement Investment Act (MCL 33.1121 et. seq.).

8.13 Records of Board of Trustees

The Board of Trustees shall keep accurate and detailed accounts of all investments, receipts and disbursements and other transactions under the Trust Fund. All accounts, books and records relating to the Trust Fund shall be open at all reasonable times to inspection and audit by any person or persons designated by the City. Upon request, the Board of Trustees shall furnish the City with the information it reasonably requests regarding the administration and investments of the Trust Fund.

8.14 Annual Accounting by Board of Trustees

Within 90 days after the close of each Plan Year or the removal or resignation of the Board of Trustees as trustee of the Trust Fund, the Board of Trustees shall file with the City a written accounting setting forth all investments, receipts and disbursements, and other transactions completed by it during the year or other period since the last written accounting. The accounting shall include a description of all securities and other investments purchased or sold, with the cost of purchases and net proceeds of sales indicated. The written accounting shall also include a description, including value, of all cash, securities and other property held at the date of the accounting.

8.15 Release of Board of Trustees

The Board of Trustees shall be released from any liability or accountability to anyone in connection with the accounting or resulting from any of the acts or transactions shown in the accounting, unless:

(a) The City files written objections with the Board of Trustees within six months of the accounting claiming breach of fiduciary duty, negligence, willful misconduct or lack of good faith by the Board of Trustees; or

(b) The Board of Trustees has committed fraud or obvious error.

8.16 Settlement of Board of Trustees' Accountings

The accountings of the Board of Trustees need only be rendered to and settled with the City. Upon settlement, the accounting shall be binding upon the City, the Participants and their Beneficiaries. No accountings other than those provided for in this Section shall be required of the Board of Trustees, and no other person or party shall be entitled to any accounting by the Board of Trustees. The Board of Trustees may also have any of its accountings settled by a court having jurisdiction. The Board of Trustees shall be liable to account only in the courts of the state of Michigan.

8.17 Legal Proceedings for Settlement of Accountings or Administration of Trust Fund

In any proceedings for settlement of the accountings of the Board of Trustees or concerning administration of the Trust Fund, Employer and the Board of Trustees shall be the only necessary parties. Service of any notice or process upon Employer shall be deemed, for all purposes, service upon the Participants and their Beneficiaries. Any final judgment in any action or proceeding for settlement of the accountings or concerning the administration of the Trust Fund shall be binding and conclusive on the Board of Trustees, Employer and the Participants and their Beneficiaries.

8.18 Compensation of Board of Trustees

The members of the Board of Trustees who are not Employees of Employer may be paid reasonable compensation for the performance of their services under this Article, as determined by the Board of Trustees. Further, each member of the Board of Trustees shall be reimbursed for all reasonable and necessary expenses which that member may incur in connection with the performance of his or her duties under this Article. Any compensation or reimbursement of expenses provided to a member of the Board of Trustees shall be paid from the Trust Fund, unless paid directly by Employer.

8.19 Removal or Resignation of Board of Trustees

The City may remove the Board of Trustees as trustee for the trust fund at any time by giving written notice to the Board of Trustees. The Board of Trustees may resign at any time by giving written notice to the City. The Board of Trustees' removal or resignation shall be effective upon the appointment of a successor trustee.

8.20 Successor Trustee

Upon the removal or resignation of the Board of Trustees, the City shall appoint a successor trustee within 60 days. The appointment shall become effective upon delivery of a

written acceptance of the Trust Fund to the City and the Board of Trustees. Upon giving written acceptance of Trust Fund, the successor trustee shall have all the rights and duties given to the Board of Trustees by this Article and shall be bound by the provisions of this Article. In the interim before a successor trustee files a written acceptance of trust, the Board of Trustees shall continue to function and be bound as a trustee under the provisions of this Article. If the City has not appointed a successor trustee within 60 days after the Board of Trustees' resignation, the Board of Trustees may apply to a court having jurisdiction for the appointment of a successor.

Article 9

Administration

9.1 Administrative Powers of Board of Trustees

In addition to its powers as trustee described in Article 8, the Board of Trustees, as Plan Administrator, shall have the discretionary power and authority to administer the Defined Contribution Plan in accordance with its terms and applicable laws and regulations. The Plan Administrator shall exercise its authority in a nondiscriminatory manner. The Plan Administrator shall have the powers necessary to administer and meet its obligations under the Defined Contribution Plan, including, but not limited to, the following:

(a) Maintain records and accounts pertaining to the Defined Contribution Plan.

(b) Interpret the terms and provisions of the Defined Contribution Plan.

(c) Decide all questions of eligibility for participation in the Defined Contribution Plan.

(d) Decide all questions of eligibility for benefit payments and determine the amount and manner of the payment of benefits.

(e) Establish procedures by which Participants may apply for retirement benefits under the Defined Contribution Plan and appeal a denial of retirement benefits.

(f) Determine the rights under the Defined Contribution Plan of any Participant applying for or receiving retirement benefits.

(g) Authorize benefit payments from the trust fund to all Participants entitled to retirement benefits under the Defined Contribution Plan, and to pay the reasonable administrative expenses of the Defined Contribution Plan.

(h) Administer the appeal procedure provided for in this Article.

(i) Delegate specific responsibilities for the operation and administration of the Defined Contribution Plan to Employees or agents.

(j) Determine the employment status of any person providing services to the City.

(k) To the extent permitted by applicable law, take voluntary action to "self-correct" operational errors in the administration of the Defined Contribution Plan.

(l) Determine the total Years of Vested Service of a Participant applying for or receiving retirement benefits.

9.2 Ability to Delegate Authority

The Plan Administrator may delegate to the City and/or an agent or Employee of the City routine and limited discretionary duties as it sees fit.

The Plan Administrator may also enter into an administration agreement with a Benefit Administrator under which the Benefit Administrator shall be given broad authority by the Plan Administrator to administer claims for benefits under the Plan and to render other administrative services on behalf of the Plan. However, the Benefit Administrator shall have no power to modify any terms of the Plan or any benefit provided by the Plan, or to waive or fail to apply any requirements of eligibility for a benefit under the Plan. The Plan Administrator shall have the sole and final discretion regarding any claim for benefits under the Plan.

To the extent that these administrative responsibilities are assumed by the Benefit Administrator under an administration agreement, Employer and the Plan Administrator shall have no responsibility for these functions.

9.3 Indemnification

To the extent permitted by applicable law, Employer shall indemnify and hold harmless any Employee for any liability or expense arising out of the Employee's action or failure to act in performing services on behalf of the Board of Trustees. However, this provision only applies if the Employee's action is in good faith and is not willful misconduct.

9.4 Standard of Care

The Board of Trustees shall administer the Defined Contribution Plan and Trust Fund in accordance with the terms of the Defined Contribution Plan solely in the interest of the Participants and for the exclusive purposes of providing retirement benefits to Participants and defraying the reasonable expenses of administration. The Board of Trustees shall administer the Defined Contribution Plan and Trust Fund with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims.

9.5 Employment of Agents by Board of Trustees

The Board of Trustees may periodically employ agents and delegate to them routine and limited discretionary duties as it sees fit. The Board of Trustees may also employ or consult expert assistants. The Board of Trustees shall not be liable for any neglect, omission or

wrongdoing of any agent or assistant, provided that reasonable care was exercised in their selection. The Board of Trustees may consult with legal counsel (who may be of counsel to the City) concerning any question which may arise with reference to its duties under the Defined Contribution Plan. The opinion of legal counsel shall fully and completely protect the Board of Trustees with respect to any action taken or not taken under this Article in good faith and in accordance with the opinion of legal counsel.

9.6 Appeal Procedure

Any Participant whose application for benefits under the Defined Contribution Plan has been denied, in whole or in part, shall be given written notice of the denial of benefits by the Plan Administrator. The Plan Administrator shall provide the notice of denial within 90 days after the claim is received by the Defined Contribution Plan, unless special circumstances require an extension of time for processing the claim. If an extension of time is required, the Plan Administrator shall provide the Participant written notice of the extension before the expiration of the initial 90-day period. However, in no event shall the extension exceed a period of 90 days from the end of the initial period.

The notice shall be in easily understood language and shall indicate the reasons for denial and the specific provisions of the Defined Contribution Plan on which the denial is based. The notice shall explain that the Participant may request a review of the denial and the procedure for requesting review. The notice shall describe any additional information necessary to approve the Participant's claim and explain why the information is necessary.

A Participant may make a written request to the Plan Administrator for a review of any denial of benefits under the Defined Contribution Plan. The written request must be made within 60 days after the mailing date of the notice of denial. The request shall refer to the provisions of the Defined Contribution Plan on which it is based and shall set forth the facts relied upon as justifying a reversal or modification of the determination being appealed.

A Participant who requests a review of a denial of benefits in accordance with this appeal procedure may examine pertinent documents and submit pertinent issues and comments in writing. A Participant may have a representative act on his behalf in exercising his right to request a review and the rights granted by this appeal procedure. The Plan Administrator shall provide a review of the decision denying the claim for benefits within 60 days after receiving the written request for review.

A Participant may appeal the Plan Administrator's review of the decision denying the claim for benefits through binding arbitration. A written request for binding arbitration must be made within 60 days after the mailing date of the notice of the Plan Administrator's review of the decision. The binding arbitration shall be conducted in accordance with rules and procedures established by the Plan Administrator.

Article 10

Rights of Participants

10.1 No Employment Rights

The existence of the Defined Contribution Plan shall not grant a Participant any legal right to continue as an Employee or affect the right of Employer to discharge a Participant.

10.2 No Participant Interest in Trust Fund

No Participant, Beneficiary, or any other person shall have an interest in, or right to, any specific assets of the Trust Fund.

10.3 Spendthrift Provision

No benefit or interest under the Defined Contribution Plan is subject to assignment or alienation, whether voluntary or involuntary, except as follows:

(a) A Participant may assign a portion of his Account to an alternate payee under a Qualified Domestic Relations Order, as provided in Section 7.5.

(b) A Participant's Account may be transferred or assigned to the extent permitted by Section 401(a)(13) of the Code and its regulations.

(c) Employer shall have the right of setoff for any claim arising from embezzlement or fraud by a Participant and for any overpayments.

(d) A Participant's Account may be transferred or assigned to the extent permitted under the Public Employee Retirement Benefits Forfeiture Act (MCL 38.2701 et. seq.) and the State Correctional Facility Reimbursement Act (MCL 800.401 et. seq.).

10.4 Military Service

A Participant who returns to employment with Employer from Qualified Military Service within the time limits established by USERRA is entitled to receive the Employer Contributions the Participant would have received if the Participant had been employed by Employer during the period of Qualified Military Service. No earnings shall be credited on make-up contributions for any period prior to the date they are actually made. Make-up contributions shall be treated as having been made in the Plan Year for which they are credited and not the Plan Year in which they are actually contributed.

(a) **Employer Contributions** Within 90 days after the date the Participant returns to employment with Employer, Employer shall contribute to the Defined Contribution Plan the Employer Contributions that would have been contributed for the Participant if the Participant had continued to be employed by Employer during the period of Qualified Military Service and received Compensation at the rate

determined below. However, if it is impossible or unreasonable for Employer to make the contribution within 90 days after the Participant's date of reemployment, Employer shall make the contribution as soon as practicable after the Participant's date of reemployment.

(b) **Compensation** For purposes of determining the amount of make-up Employer Contributions to be made by Employer, the Participant shall be treated as having received Compensation from Employer during the period of Qualified Military Service equal to:

(1) **Projected Compensation** The rate of pay the Employee would have received from Employer but for absence during the period of Qualified Military Service; or

(2) **Prior Compensation** If the Compensation the Employee would have received during such period is not reasonably certain, the Employee's average Compensation from Employer during the 12-month period immediately preceding the Qualified Military Service (or, if shorter, the period of employment immediately preceding the Qualified Military Service).

Article 11

Plan Amendment, Merger and Termination

11.1 Plan Amendment

The City reserves the right to amend the Defined Contribution Plan at any time. However, the City's right to amend the Defined Contribution Plan is subject to the following:

(a) No amendment which affects the rights, duties or responsibilities of the Board of Trustees may be made without the Board of Trustees' consent.

(b) No amendment shall be effective unless the Defined Contribution Plan, as amended, shall be for the exclusive benefit of Participants.

(c) No amendment shall reduce the amount of a Participant's Account as of the effective date of the amendment.

(d) No amendment that affects a Benefit Group shall conflict with a specific provision in the Collective Bargaining Agreement of that Benefit Group.

Any amendment of the Defined Contribution Plan may be made retroactively effective to the extent permitted by the Code.

11.2 Merger or Consolidation

The Defined Contribution Plan may not be merged or consolidated with, nor may the assets or liabilities of the Trust Fund be transferred to, any other employee benefit pension

plan unless each Participant would (if the Defined Contribution Plan then terminated) receive a retirement benefit immediately after the merger, consolidation or transfer which is equal to or greater than the retirement benefit the Participant would have been entitled to receive immediately before the merger, consolidation or transfer (if the Defined Contribution Plan had then terminated).

11.3 Termination of Plan

Employer may terminate or partially terminate the Defined Contribution Plan at any time to the extent permitted by any applicable Collective Bargaining Agreement. If the Defined Contribution Plan is terminated or partially terminated for any reason, the Trust Fund shall continue to be applied for the exclusive benefit of the Participants, and the Account of each Participant shall become fully vested and nonforfeitable.

After allocation of all expenses arising out of the termination to the Accounts of the Participants, the Trust Fund shall be liquidated and the Accounts distributed to the Participants.

In the event of a partial termination, only the Accounts of the affected Participants shall become fully vested and be distributed. The Accounts of the remaining Participants shall continue to be subject to all of the provisions of the Defined Contribution Plan.

Any distribution under this Section shall be in a single lump sum payment.

Article 12

Miscellaneous Provisions

12.1 Age

Any reference in the Defined Contribution Plan to age shall mean the age of the individual as of the individual's last birthday.

12.2 Uniformity of Treatment

Any discretionary action taken under the Defined Contribution Plan by the Plan Administrator or Employer shall be uniform in its application to similarly situated persons.

12.3 Notices and Elections

Except as otherwise provided in the Defined Contribution Plan, notices, elections and requests for distributions may be provided or made through electronic media to the extent permitted by applicable law.

12.4 Construction

Words used in the masculine shall apply to the feminine where applicable. Wherever the context of the Defined Contribution Plan dictates, the plural shall be read as the singular and the singular as the plural.

12.5 Governing law

To the extent that Michigan law has not been preempted by federal law, the provisions in the Defined Contribution Plan shall be governed by the laws of the state of Michigan.

12.6 Collective Bargaining Agreement

To the extent that a provision in the Plan conflicts with a specific provision of a Collective Bargaining Agreement for a Benefit Group, the specific provision in the Collective Bargaining Agreement shall control.

Signature

Plan Sponsor has signed the amended and restated City of Wyoming Defined Contribution Plan this _____ day of _____, 2015.

CITY OF WYOMING

By_____

Its_____

Schedule A
to the
City of Wyoming
Defined Contribution Plan

General Benefit Group

Section	**Provision**
3.1	Eligible Employees

(a) Employees Initially Hired After February 6, 2006. Members of this Benefit Group whose initial Date of Employment is after February 6, 2006, participate in the Defined Contribution Plan.

(b) Employees Initially Hired on or Before February 6, 2006. A member of this Benefit Group whose initial Date of Employment was on or before February 6, 2006, does not participate in the Defined Contribution Plan unless one of the following exceptions applies:

(1) Certain Re-hired Employees. An Employee who had a Severance from Employment, was subsequently re-hired by Employer after February 6, 2006, and did not have a deferred vested benefit under the Defined Benefit Plan as of his reemployment date participates in the Defined Contribution Plan as of the date provided in Section 3.2.

(2) Transfers from Defined Benefit Plan. An Employee who made a timely election to cease accruals under the Defined Benefit Plan and participate in the Defined Contribution Plan participates in the Defined Contribution Plan.

Election to Transfer From Defined Benefit Plan

(a) General Rule. Effective as of the date specified in the Collective Bargaining Agreement with the Wyoming City Employees Union, members of the General Benefit Group who participate in the Defined Benefit Plan may not elect to transfer to the Defined Contribution Plan.

(b) Transfers Through Date Specified in Collective Bargaining Agreement. Effective through the date specified in the Collective Bargaining Agreement with the Wyoming City Employees Union, members of the General Benefit Group who

Section	**Provision**
	participate in the Defined Benefit Plan may make an irrevocable election to cease accruals under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan. An election to participate in the Defined Contribution Plan must be made in accordance with administrative rules established by the City, and shall be effective no later than the date specified in the Collective Bargaining Agreement. The election may be made on a prospective basis only. The Employee shall become a Participant in the Defined Contribution Plan as of the date specified in the election form. An Employee who participates in the Defined Benefit Plan and elects to participate in the Defined Contribution Plan may also elect to have the lump sum actuarial equivalent of his accrued benefit under the Defined Benefit Plan transferred to the Defined Contribution Plan in a direct trustee-to-trustee transfer. The transfer shall occur as soon as administratively feasible after the Employee becomes a Participant in the Defined Contribution Plan. Amounts transferred to the Defined Contribution Plan under this Section on behalf of a Participant shall be credited to that Participant's Account.
4.2	Contribution Amount Employer shall contribute the amount or specified percentage of the Participant's Compensation set forth in the Collective Bargaining Agreement that applies to the General Benefit Group. The Employer Contribution is currently 8% of the Participant's Compensation. The portion of the Collective Bargaining Agreement with the Wyoming City Employees Union that sets forth the specified percentage is incorporated into the Plan by reference.

Schedule B
to the
City of Wyoming
Defined Contribution Plan

Administrative and Supervisory Benefit Group

Section	**Provision**
3.1	Eligible Employees

(a) Employees Initially Hired on and After September 6, 2005. Members of this Benefit Group whose initial Date of Employment is on or after September 6, 2005, participate in the Defined Contribution Plan.

(b) Employees Initially Hired Before September 6, 2005. A member of this Benefit Group whose initial Date of Employment was before September 6, 2005, does not participate in the Defined Contribution Plan unless one of the following exceptions applies:

(1) Certain Re-hired Employees. An Employee who had a Severance from Employment, was subsequently re-hired by Employer on or after September 6, 2005, and did not have a deferred vested benefit under the Defined Benefit Plan as of his reemployment date participates in the Defined Contribution Plan as of the date provided in Section 3.2.

(2) Transfers from Defined Benefit Plan. An Employee who made a timely election to cease accruals under the Defined Benefit Plan and participate in the Defined Contribution Plan under participates in the Defined Contribution Plan.

Election to Transfer From Defined Benefit Plan

(a) General Rule. Effective as of the date specified in the Collective Bargaining Agreement with the Administrative and Supervisory Employees Association, members of this Benefit Group who participate in the Defined Benefit Plan may not elect to transfer to the Defined Contribution Plan.

(b) Transfers Through Date Specified in Collective Bargaining Agreement. Effective through the date specified in the Collective Bargaining Agreement with the Administrative and Supervisory Employees Association, members of this

Section	**Provision**
	Benefit Group who participate in the Defined Benefit Plan may make an irrevocable election to cease accruals under the Defined Benefit Plan and begin to participate in the Defined Contribution Plan. An election to participate in the Defined Contribution Plan must be made in accordance with administrative rules established by the City, and shall be effective no later than the date specified in the Collective Bargaining Agreement. The election may be made on a prospective basis only. The Employee shall become a Participant in the Defined Contribution Plan as of the date specified in the election form. An Employee who participates in the Defined Benefit Plan and elects to participate in the Defined Contribution Plan shall have the lump sum actuarial equivalent of his accrued benefit under the Defined Benefit Plan transferred to the Defined Contribution Plan in a direct trustee-to-trustee transfer. The transfer shall occur as soon as administratively feasible after the Employee becomes a Participant in the Defined Contribution Plan. Amounts transferred to the Defined Contribution Plan under this Section on behalf of a Participant shall be credited to that Participant's Account.
4.2	Contribution Amount Employer shall contribute the amount or specified percentage of the Participant's Compensation set forth in the Collective Bargaining Agreement that applies to the Administrative and Supervisory Benefit Group. The Employer Contribution is currently 8% of the Participant's Compensation. The portion of the Administrative and Supervisory Benefit Group Collective Bargaining Agreement that sets forth the specified percentage is incorporated into the Plan by reference.

Schedule C
to the
City of Wyoming
Defined Contribution Plan

Police Command Benefit Group

Section	**Provision**
3.1	Eligible Employees (a) Employees Initially Hired After February 20, 2006. Members of this Benefit Group whose initial Date of Employment is after February 20, 2006, participate in the Defined Contribution Plan. (b) Employees Initially Hired on or Before February 20, 2006. A member of this Benefit Group whose initial Date of Employment was on or before February 20, 2006, does not participate in the Defined Contribution Plan unless one of the following exceptions applies: (1) Certain Re-hired Employees. An Employee who had a Severance from Employment, was subsequently re-hired by Employer after February 20, 2006, and did not have a deferred vested benefit under the Defined Benefit Plan as of his reemployment date participates in the Defined Contribution Plan as of the date provided in Section 3.2. (2) Transfers from Defined Benefit Plan. An Employee who made an irrevocable election to cease accruals under the Defined Benefit Plan and participate in the Defined Contribution Plan participates in the Defined Contribution Plan. Election to Transfer From Defined Benefit Plan Members of this Benefit Group who participate in the Defined Benefit Plan may not elect to transfer to the Defined Contribution Plan.
4.2	Contribution Amount Employer shall contribute the amount or specified percentage of the Participant's Compensation set forth in the Collective Bargaining Agreement that applies to the Police Command Benefit Group. The Employer Contribution is currently 8% of the Participant's Compensation. The portion of the Police Command Benefit Group Collective Bargaining Agreement that sets forth the specified percentage is incorporated into the Plan by reference.

Schedule D
to the
City of Wyoming
Defined Contribution Plan

Police Nonsupervisory Benefit Group

Section	**Provision**
3.1	Eligible Employees (a) Employees Initially Hired After September 4, 2007. Members of this Benefit Group whose most recent Date of Employment is after September 4, 2007, participate in the Defined Contribution Plan. (b) Employees Initially Hired on or Before September 4, 2007. A members of this benefit group whose initial Date of Employment was on or before September 4, 2007, does not participate in the Defined Contribution Plan unless one of the following exceptions applies: (1) Certain Re-hired Employees. An Employee who had a Severance from Employment, was subsequently re-hired by Employer after September 4, 2007, and did not have a deferred vested benefit under the Defined Benefit Plan as of his reemployment date participates in the Defined Contribution Plan as of the date provided in Section 3.2. (2) Transfers to Defined Benefit Plan. An Employee who made a timely election to cease accruals under the Defined Benefit Plan and participate in the Defined Contribution Plan participates in the Defined Contribution Plan. Election to Transfer From Defined Benefit Plan Members of this Benefit Group who participate in the Defined Benefit Plan may not elect to transfer to the Defined Contribution Plan.
4.2	Contribution Amount Employer shall contribute the amount or specified percentage of the Participant's Compensation set forth in the Collective Bargaining Agreement that applies to the Police Nonsupervisory Benefit Group. The Employer Contribution is currently 8% of the Participant's Compensation. The portion of the Police Nonsupervisory Benefit Group Collective Bargaining Agreement that sets forth the specified percentage is incorporated into the Plan by reference.

Schedule E
to the
City of Wyoming
Defined Contribution Plan

Police ECO Benefit Group

Section	**Provision**
3.1	Eligible Employees All members of this Benefit Group had a Severance from Employment on or before December 31, 2010. The provisions regarding participation and Employer Contributions for this Benefit Group for the period before January 1, 2011 are located in Articles V and VI of the City Code.

Schedule F
to the
City of Wyoming
Defined Contribution Plan

Fire Benefit Group

Section	**Provision**
3.1	Eligible Employees (a) Employees Initially Hired on and After September 6, 2005. Members of this Benefit Group whose initial Date of Employment is on or after September 6, 2005, participate in the Defined Contribution Plan. (b) Employees Initially Hired Before September 6, 2005. A member of this Benefit Group whose initial Date of Employment was before September 6, 2005, does not participate in the Defined Contribution Plan unless one of the following exceptions applies: (1) Certain Re-hired Employees. An Employee who had a Severance from Employment, was subsequently re-hired by Employer on or after September 6, 2005, and did not have a deferred vested benefit under the Defined Benefit Plan as of his reemployment date participates in the Defined Contribution Plan as of the date provided in Section 3.2. (2) Transfers from Defined Benefit Plan. An Employee who made a timely election to cease accruals under the Defined Benefit Plan and participate in the Defined Contribution Plan participates in the Defined Contribution Plan. Election to Transfer From Defined Benefit Plan Members of this Benefit Group who participate in the Defined Benefit Plan may not elect to transfer to the Defined Contribution Plan.
4.2	Contribution Amount Employer shall contribute the amount or specified percentage of the Participant's Compensation set forth in the Collective Bargaining Agreement that applies to the Fire Benefit Group. The Employer Contribution is currently 8% of the Participant's Compensation. The portion of the Fire Benefit Group Collective Bargaining Agreement that sets forth the specified percentage is incorporated into the Plan by reference.

Schedule G
to the
City of Wyoming
Defined Contribution Plan

Administrative Contract Benefit Group

Section	**Provision**
3.1	Eligible Employees Members of this Benefit Group are eligible to participate in the Defined Contribution Plan if the Employee's current employment contract with the City provides for participation in the Defined Contribution Plan. Election to Transfer From Defined Benefit Plan Members of this Benefit Group who participate in the Defined Benefit Plan may not elect to transfer to the Defined Contribution Plan.
4.2	Contribution Amount Employer shall contribute an amount equal to 8% of the Participant's Compensation or if, different, the amount required under the Participant's current employment contract with the City.

CITY OF WYOMING

DEFINED CONTRIBUTION PLAN

(Restated effective as of July 1, ~~2011~~2015)

Prepared by:
Miller Johnson
250 Monroe Avenue, N.W., Suite 800
P.O. Box 306
Grand Rapids, MI 49501-0306
(616) 831-1700

INDEX

Page

Article 1 Establishment of the Plan 1

1.1 History of the Defined Contribution Plan 1
1.2 This Document 1
1.3 Organization of the Plan 1

Article 2 Benefit Definitions 1

Article 3 Participation 11

3.1 Eligible Employees 11
3.2 Date of Participation ..... ~~11~~12
3.3 Participation After Reemployment ..... ~~11~~12
3.4 Transfer Between Benefit Groups 12
3.5 Transfer to Ineligible Job Classification 12

Article 4 Employer Contributions 12

4.1 Eligibility to Receive a Contribution 12
4.2 Amount of Contribution ..... ~~12~~13
4.3 Time for Payment of Contributions ..... ~~12~~13
4.4 Limits on Annual Additions ..... ~~12~~13

Article 5 Participants' Accounts ..... ~~14~~15

5.1 Establishment of Accounts ..... ~~14~~15
5.2 Vested Portion of Accounts ..... ~~14~~15
5.3 Investment of Accounts 17

Article 6 Adjustments to Accounts ..... ~~17~~18

6.1 Value of Accounts ..... ~~17~~18
6.2 Subtractions From Accounts 18
6.3 Additions to Accounts 18
6.4 Adjustment for Errors 18

Article 7 Distribution of Benefits 18

7.1 Time of Distribution 18
7.2 Amount of Distribution ..... ~~19~~20
7.3 Method of Distribution ..... ~~19~~20
7.4 Distributions After the Participant's Death ..... ~~19~~20
7.5 Distributions Pursuant to ~~an Eligible~~a Qualified Domestic Relations Order 20
7.6 Eligible Rollover Distributions ..... ~~20~~21
7.7 Minimum Required Distributions ..... ~~21~~22
7.8 Lost Participants and Uncashed Benefit Checks 22

Page

Article 8 Trust Fund and Trustee ~~22~~23

8.1 Trust Fund ~~22~~23
8.2 Acceptance of Trust by the Board of Trustees ~~22~~23
8.3 Trust Fund 23
8.4 Contributions to the Trust Fund ~~23~~24
8.5 Nonreversion of Trust Fund Assets ~~23~~24
8.6 Reasonable Administrative Expenses ~~23~~24
8.7 Investment Powers Trustee ~~23~~24
8.8 Types of Investments ~~24~~25
8.9 Commingled Investment ~~24~~25
8.10 Investment Managers ~~24~~25
8.11 Payment of Taxes ~~25~~26
8.12 Powers and Rights of Board of Trustees with Respect to Management of the Trust Fund 26
8.13 Records of Board of Trustees ~~27~~28
8.14 Annual Accounting by Board of Trustees ~~27~~28
8.15 Release of Board of Trustees 28
8.16 Settlement of Board of Trustees' Accountings ~~28~~29
8.17 Legal Proceedings for Settlement of Accountings or Administration of Trust Fund ~~28~~29
8.18 Compensation of Board of Trustees ~~28~~29
8.19 Removal or Resignation of Board of Trustees ~~28~~29
8.20 Successor Trustee 29

Article 9 Administration ~~29~~30

9.1 Administrative Powers of Board of Trustees ~~29~~30
9.2 Ability to Delegate Authority ~~30~~31
9.3 Indemnification ~~30~~31
9.4 Standard of Care ~~30~~31
9.5 Employment of Agents by Board of Trustees 31
9.6 Appeal Procedure ~~31~~32

Article 10 Rights of Participants ~~32~~33

10.1 No Employment Rights ~~32~~33
10.2 No Participant Interest in Trust Fund ~~32~~33
10.3 Spendthrift Provision ~~32~~33
10.4 Military Service ~~32~~33

Article 11 Plan Amendment, Merger and Termination ~~33~~34

11.1 Plan Amendment ~~33~~34
11.2 Merger or Consolidation 34
11.3 Termination of Plan ~~34~~35

Page

Article 12 Miscellaneous Provisions ~~34~~35

12.1 Age ~~34~~35
12.2 Uniformity of Treatment ~~34~~35
12.3 Notices and Elections ~~34~~35
12.4 Construction ~~35~~36
12.5 Governing law ~~35~~36
12.6 Collective Bargaining Agreement ~~35~~36

Signature ~~35~~36

Schedule A ~~36~~

~~Schedule B~~ 37

Schedule ~~C~~B 39

Schedule ~~D~~ ~~40~~C 41

Schedule D 42

Schedule E ~~41~~43

Schedule F ~~42~~44

Schedule G ~~43~~45

CITY OF WYOMING

DEFINED CONTRIBUTION PLAN

Article 1

Establishment of the Plan

1.1 History of the Defined Contribution Plan

The City established its Retirement System effective as of October 1, 1962. The Retirement System provided a defined benefit pension for eligible Employees. The City revised its Retirement System by adopting the Defined Contribution Plan effective as of September 6, 2005, for the purpose of providing retirement benefits to eligible Employees. The Defined Contribution Plan was most recently amended and restated effective July 1, 2011. The Defined Contribution Plan and the Defined Benefit Plan together comprise the Retirement System.

1.2 This Document

By this document the City is amending and restating the Defined Contribution Plan effective July 1, ~~2011.~~2015. The amended and restated Defined Contribution Plan is intended to meet the requirements of Sections 401(a) and 501(a) of the Code which are applicable to qualified retirement plans established by governmental employers.

1.3 Organization of the Plan

The Defined Contribution Plan applies to Employees in various Benefit Groups. The provisions of the Plan which apply to a specific Benefit Group are called a Sub-Plan.

The initial portion of the Plan, called the Basic Provisions, applies to all Participants. The Schedules, which are attached to the initial portion of the Plan, set forth the terms and conditions which apply to each Benefit Group. The specific Defined Contribution Plan provisions applicable to each Benefit Group are set forth in the applicable Schedule for that Benefit Group, except as otherwise provided in the applicable Collective Bargaining Agreement (in the case of a Participant who is a member of a Union) or in the applicable employment agreement (in the case of a Participant who is not a member of a Union). For each Benefit Group, the Sub-Plan consists of the Basic Provisions and the applicable Schedule.

Article 2

Benefit Definitions

The following words, terms and phrases, shall have the meanings ascribed to them in this Article, except where the context clearly indicates a different meaning. All references to specific Articles or Sections shall refer to Articles or Sections of the Defined Contribution Plan unless otherwise stated.

2.1 Account

"Account" means the Account maintained for a Participant to record contributions made for the Participant.

2.2 Anniversary Year

"Anniversary Year" means the 12-consecutive-month period beginning on the Employee's Date of Employment.

2.3 ~~2.2~~ Basic Provisions

"Basic Provisions" are the provisions of the Defined Contribution Plan which apply to all Participants. The Basic Provisions are the terms and conditions of the Defined Contribution Plan other than the Schedules.

2.4 ~~2.3~~ Beneficiary

"Beneficiary" means the Beneficiary designated by the Participant on a form provided by the Plan Administrator. Spousal consent is required if the Participant designates a Beneficiary in addition to, or other than, his Spouse.

Except as otherwise provided in the Defined Contribution Plan, the Participant may change the Beneficiary designation at any time by completing and filing a new form with the Plan Administrator.

The Participant may designate a trust as a Beneficiary. If this occurs, the Plan Administrator shall ~~determine the rights of any trustee designated as a Beneficiary without~~have no responsibility for determining the validity, existence or provisions of that trust~~, and~~. Further, the Plan Administrator shall ~~not~~ have no responsibility for the application of sums paid to that trustee or for the discharge of the trust.

If a Participant designates ~~more than one~~the Participant's Spouse as Beneficiary and the Participant and Spouse are subsequently divorced, the judgment of divorce shall be considered to revoke the prior Beneficiary designation of the Spouse unless otherwise provided in a Qualified Domestic Relations Order.

The rules of this paragraph apply unless provided otherwise in a Participant's Beneficiary designation form. If a Participant designates one primary Beneficiary and the Beneficiary dies after the Participant but before benefit payments are completed, any remaining benefits shall be payable to the secondary Beneficiary. If a Participant fails to designate a secondary Beneficiary or if no secondary Beneficiary survives the primary Beneficiary, any remaining benefits shall be payable to the deceased primary Beneficiary's heirs in the manner described in the next paragraph. If a Participant designates more than one primary Beneficiary or more than one secondary Beneficiary and a Beneficiary dies before benefit payments are made~~, the heirs or estate of the deceased Beneficiary shall not receive any benefits from the Defined Contribution Plan. Instead~~, the share payable to the deceased Beneficiary shall be paid to the ~~Beneficiaries who are still living. Payment shall be made in proportion to the shares otherwise~~

~~payable to the living Beneficiaries~~deceased Beneficiary's heirs in the manner described in the next paragraph as if the Beneficiary was the Participant.

If a Participant fails to designate a Beneficiary or if no Beneficiary survives a Participant, distribution shall be made in equal shares to the member of the first of the classes listed below having a living member on the date the distribution is payable. The classes, in order of priority, are as follows:

(a) The individual's Spouse;

(b) The individual's children or their then-living issue, by right of representation; and

(c) The individual's estate, if under active administration, and if not, the legal heirs of the individual under the laws of the individual's state of residence on the date of the individual's death.

A Beneficiary is permitted to disclaim the Beneficiary's rights to a death benefit under the Plan to the extent permitted by applicable law. If this occurs, the Beneficiary shall be treated as predeceasing the Participant for purposes of this Section.

The records of the Plan Administrator shall be conclusive as to the proper payee and the amount payable. A distribution made based upon these facts shall be treated as a complete discharge of all obligations under the Plan.

2.5 ~~2.4~~ Benefit Administrator

"Benefit Administrator" means the entity to which the Plan Administrator has delegated responsibility for the administration of the Plan.

2.6 ~~2.5~~ Benefit Group

"Benefit Group" means the group of Employees designated for the purpose of determining benefit eligibility, benefit conditions, benefit amounts and contribution amounts applicable to a Participant. The Benefit Groups are as follows:

(a) **General Benefit Group** The General Benefit Group shall include all Participants who are members of the Wyoming City Employees Union.

(b) **Administrative and Supervisory Benefit Group** The Administrative and Supervisory Benefit Group shall include all Participants who are members of the Wyoming Administrative and Supervisory Employees Association.

(c) **Police Command Benefit Group** The Police Command Benefit Group shall include all Participants who are members of the Police Officers Labor Council Wyoming Command Division. A police chief or deputy police chief appointed after July 1, 2010, is also a member of this Benefit Group (and is not a member of the

Administrative Contract Group) if he was a member of this Benefit Group immediately before being appointed to the position of police chief or deputy police chief.

(d) **Police Nonsupervisory Benefit Group** The Police Nonsupervisory Benefit Group shall include all Participants who are members of the Police Officers Labor Council Wyoming Division.

(e) **Police ECO Benefit Group** The Police ECO Benefit Group shall include all Participants who were members of the Wyoming Police Officers Labor Council Emergency Communications Operators Unit.

(f) **Fire Benefit Group** The Fire Benefit Group shall include all Participants who are members of the Wyoming Fire Fighters Association. A fire chief or deputy fire chief appointed after July 1, 2010, is also a member of this Benefit Group (and is not a member of the Administrative Contract Group) if he was a member of this Benefit Group immediately before being appointed to the position of fire chief or deputy fire chief.

(g) **Administrative Contract Benefit Group** The Administrative Contract Benefit Group shall include all non-Union Participants who are classified as full-time Employees, whose terms of employment with Employer are set forth in an individual employment contract, and whose job classification is not specifically included in another Benefit Group. (This also includes those individuals who were appointed police chief, deputy police chief, fire chief and deputy fire chief before July 1, 2010.)

For purposes of this definition, an Employee is considered to be a "member" of a Union if the Employee is ~~an actual member of that Union or if the Employee pays the service fees of~~included in the bargaining unit represented by that Union.

2.7 **~~2.6~~ Board of Trustees**

"Board of Trustees" means the governing body of the Retirement System, which is described in Article 14 of the Defined Benefit Plan.

2.8 **~~2.7~~ Break in Service**

"Break in Service" means ~~a Plan~~an Anniversary Year during which a Participant has not completed more than 500 Hours of Service. However, a Participant shall not incur a Break in Service during any ~~Plan~~Anniversary Year in which the Participant is on a leave of absence under the Family and Medical Leave Act of 1993, as amended.

2.9 **~~2.8~~ Calendar Year**

"Calendar Year" means the 12-consecutive-month period beginning on January 1 and ending on the following December 31.

2.10 ~~2.9~~ City

"City" means the City of Wyoming, Michigan.

2.11 ~~2.10~~ Code

"Code" means the Internal Revenue Code of 1986, as amended, including any applicable regulations.

2.12 ~~2.11~~ Collective Bargaining Agreement

"Collective Bargaining Agreement" means the collective bargaining agreement currently in effect between Employer and a Union, provided retirement benefits were the subject of good faith bargaining.

2.13 ~~2.12~~ Compensation

"Compensation" means base salary or wages received for regular hours worked, including annual payments for dual trained Employees, Deemed Section 125 Compensation, and pay reduction contributions to a qualified transportation fringe benefit plan~~,~~ under Section 132(f) of the Code~~,~~ or to an eligible deferred compensation plan under Section 457(b) of the Code, any Differential Wage Payments or wages while absent from work on account of illness, vacation and holiday time taken.

Except as otherwise provided in an applicable Schedule, Compensation shall not include any remuneration or reimbursement not specifically stated above, including, but not limited to, payments received for overtime, shift premium, disability income plan, pay in lieu of vacation, longevity, sick leave (including workers' compensation except as provided under Section 4.2), incentive pay, pay for performance bonuses, cleaning, clothing and food allowances and amounts received for opting out of Employer-provided health insurance.

Compensation of each Participant in a Plan Year shall be limited to the maximum amount permitted by Section 401(a)(17) of the Code (the "Dollar Limit"). The Dollar Limit for the Plan Year that begins in ~~2011~~2015 is $~~245,000.~~265,000. The Dollar Limit shall be increased in accordance with the provisions of Section 401(a)(17)(B) of the Code.

2.14 ~~2.13~~ Covered Employment

"Covered Employment" means employment by Employer in a job classification that is eligible for participation in the Defined Contribution Plan under Section 3.1.

2.15 ~~2.14~~ Date of Employment

"Date of Employment" means the date on which an Employee performs his first Hour of Service for Employer. However, see Section 3.3 for the Date of Employment of certain reemployed Employees.

2.16 ~~2.15~~ Deemed Section 125 Compensation

"Deemed Section 125 Compensation" means a Participant's pre-tax contributions to a cafeteria plan under Section 125 of the Code in the following situation:

(a) The Participant makes pre-tax contributions towards the cost of health coverage made available by Employer; and

(b) The Participant is permitted to waive health coverage made available by Employer only if the Participant certifies that the Participant has other health coverage; and

(c) The Participant does not have other health coverage available and, as a result, is required to elect health coverage made available by Employer; and

(d) Employer does not request or collect information regarding the Participant's other health coverage during the health plan's enrollment process.

2.17 ~~2.16~~ Defined Benefit Plan

"Defined Benefit Plan" means the City of Wyoming Defined Benefit Plan.

2.18 ~~2.17~~ Defined Contribution Plan

"Defined Contribution Plan" means the City of Wyoming Defined Contribution Plan, as described in this document.

2.19 Differential Wage Payment

"Differential Wage Payment" means a payment under Section 3401(h) of the Code that is paid to a Participant during any period when the Participant is performing Qualified Military Service while on active duty for more than 30 days.

2.20 ~~2.18~~ Direct Rollover

"Direct Rollover" means the payment of an Eligible Rollover Distribution by the ~~Defined Contribution~~ Plan to an Eligible Retirement Plan specified by the Distributee if the Distributee is a Beneficiary who is not the Participant's Spouse, however, the Direct Rollover only may be made to an IRA or Roth IRA.

2.21 ~~2.19~~ Distributee

"Distributee" means a Participant, the Participant's Spouse, ~~or~~ an alternate payee under ~~an Eligible~~a Qualified Domestic Relations Order, or a Beneficiary who is not the Participant's Spouse.

~~2.20~~ ~~Eligible Domestic Relations Order~~

~~"Eligible Domestic Relations Order" or "EDRO" means an eligible domestic relations order under MCL 38.1701 et. seq. The Plan Administrator shall determine whether a judicial order which requires payment of Defined Contribution Plan benefits to an alternate payee is an Eligible Domestic Relations Order.~~

2.22 ~~2.21~~ Eligible Retirement Plan

"Eligible Retirement Plan" means~~ an eligible retirement plan, as defined in Section 401(a)(31) of the Code. An eligible retirement plan includes~~:

(a) An ~~individual retirement account;~~IRA or Roth IRA;

(b) ~~An annuity~~A plan described in Sections 403(a) or 403(b) of the Code;

(c) A Qualified Plan; and

(d) An eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state (an "Eligible Section 457 Plan"). However, if a Distributee receives an Eligible Rollover Distribution from the~~ Defined Contribution~~ Plan, an Eligible Section 457 Plan is only an Eligible Retirement Plan if it agrees to separately account for amounts transferred into such plan from this ~~Defined Contribution~~ Plan~~; and~~**~~(e)~~** ~~A Roth individual retirement account under Section 408A of the Code~~.

2.23 ~~2.22~~ Eligible Rollover Distribution

"Eligible Rollover Distribution" means an eligible rollover distribution under Section 402(c)(4) of the Code. This includes any distribution from a Participant's Account, except a distribution after a Participant attains age 70½ that is required under Section 401(a)(9) of the Code.

2.24 ~~2.23~~ Employee

"Employee" means any person who is on Employer's payroll and is treated by Employer for tax purposes as Employer's common-law employee. Employee also means any Leased Employee who is deemed to be a Leased Employee of Employer under Section 414(n) or (o) of the Code.

2.25 ~~2.24~~ Employer

"Employer" means the City, the 62A District Court and the Wyoming Housing Commission.

2.26 ~~2.25~~ Employer Contribution

"Employer Contribution" means an Employer contribution under Section 4.2 on behalf of a Participant.

2.27 ~~2.26~~ Forfeiture

"Forfeiture" means the forfeiture of the nonvested portion of the Account of a Participant under the terms of the Defined Contribution Plan.

2.28 HEART Act

"HEART Act" means the Heroes Earnings Assistance and Relief Tax Act of 2008.

2.29 ~~2.27~~ Hour of Service

"Hour of Service" means:

(a) Each hour for which an Employee is paid or entitled to be paid by Employer for the performance of duties for Employer during the applicable computation period.

(b) Each hour for which an Employee is directly or indirectly paid or entitled to be paid by Employer, an amount equal to 100% of the Employee's regular Compensation, but for which no duties are performed (whether or not the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, or Employer-approved leave of absence.

(c) If an Employee has an authorized leave of absence or a Severance from Employment because of Qualified Military Service, the Employee shall be credited with Hours of Service for the hours the Employee would have been scheduled to work during the Period of Qualified Military Service, provided the Employee applies for, and resumes, employment with Employer within the time limits established by USERRA. An Employee shall receive credit for hours of service under this provision only to the extent required by USERRA (or any successor law).

An Employee for whom Employer does not maintain a record of the number of hours worked will be credited with the number of Hours of Service he is regularly scheduled to work for each day during which he would otherwise be credited with at least one Hour of Service.

Any Hours of Service for which an Employee is paid overtime shall be credited on the basis of the actual hours worked and not the hours paid. The payroll and other records of Employer shall be used to determine an Employee's Hours of Service.

2.30 IRA

"IRA" means an individual retirement account described in Section 408(a) of the Code, or an individual retirement annuity described in Section 408(b)of the Code.

2.31 ~~2.28~~ Leased Employee

"Leased Employee" means any person who is not a common-law employee of Employer and who performs services for Employer under the following circumstances:

(a) The services are pursuant to an agreement between a leasing organization and Employer;

(b) The person performs the services for Employer on a substantially full-time basis for at least one year; and

(c) The services are performed under the primary direction or control of Employer.

A Leased Employee shall not be considered an Employee of Employer if:

(a) The leased employee is covered by a money purchase pension plan providing:

(1) A nonintegrated employer contribution equal to at least 10 percent of the leased employee's Section 415 Compensation;

(2) Immediate participation; and

(3) Full and immediate vesting; and

(b) Leased employees do not constitute more than 20 percent of Employer's "nonhighly compensated work force," as defined in Section 414(n)(5)(C)(ii) of the Code.

2.32 ~~2.29~~ Participant

"Participant" means an Employee or former Employee who has met the requirements for participation under Section 3.1 and whose Account has not been distributed or forfeited.

2.33 ~~2.30~~ Period of Qualified Military Service

"Period of Qualified Military Service" means the period of time an Employee is absent from employment ~~where the absence is necessitated by~~because of the Employee's performance of Qualified Military Service.

2.34 ~~2.31~~ Plan Administrator

"Plan Administrator" means the named fiduciary responsible for the operation and administration of the Defined Contribution Plan. The Board of Trustees shall be the Plan Administrator.

2.35 ~~2.32~~ Plan Year

"Plan Year" means the 12-consecutive-month period beginning on July 1 and ending on the following June 30.

2.36 Qualified Domestic Relations Order

"Qualified Domestic Relations Order" or "QDRO" means a qualified domestic relations order under Code Section 414(p). The attorney for the Board of Trustees shall determine whether a judicial order which requires payment of Defined Contribution Plan benefits to an alternate payee is a Qualified Domestic Relations Order.

2.37 ~~2.33~~ Qualified Military Service

"Qualified Military Service" means ~~the performance of duty on a voluntary or involuntary basis in a Uniformed Service under competent authority by an individual who is entitled to reemployment rights under USERRA.~~ qualified military service under Section 414(u)(5) of the Code. An individual is performing Qualified Military Service ~~includes:~~only if the individual is entitled to reemployment rights under USERRA.

~~**(a)** Active duty.~~

~~**(b)** Active and inactive duty for training.~~

~~**(c)** Full-time National Guard duty under a federal statute.~~

~~**(d)** A period for which a person is absent from a position of employment for the purpose of an examination to determine the fitness of the person to perform any such duty.~~

~~**(e)** A period for which a person is absent from employment to perform funeral honors duty as authorized under 10 U.S.C. 12503 or 32 U.S.C. 115.~~

~~**(f)** Service as an intermittent disaster response appointee upon activation of the National Disaster Medical System or as a Participant in an authorized training program under the Public Health Security and Bioterrorism Preparedness and Response Act of 2002.~~

2.38 ~~2.34~~ Qualified Plan

"Qualified Plan" means a retirement plan meeting the requirements of Sections 401(a) and 501(a) of the Code.

2.39 ~~2.35~~ Retirement System

"Retirement System" means the Defined Benefit ~~Pension~~ Plan and the Defined Contribution Plan.

2.40 Roth IRA

"Roth IRA" means a Roth individual retirement account or annuity under Section 408(A) of the Code.

2.41 ~~2.36~~ Schedules

"Schedules" means the schedules attached to, and incorporated into, the Defined Contribution Plan. Each Schedule sets forth the specific Defined Contribution Plan provisions that apply to a particular Benefit Group.

2.42 ~~2.37~~ Section 415 Compensation

"Section 415 Compensation" means compensation as defined in Section 4.4(b)(2).

2.43 ~~2.38~~ Severance from Employment

"Severance From Employment" means the individual has ceased to be an Employee of an employer maintaining the Plan. The personnel policies of the employer that most recently employed the Employee shall be used in determining whether a Severance from Employment has occurred.

2.44 ~~2.39~~ Spouse

"Spouse" means the person to whom a Participant is legally married at the time of his death. A former spouse shall be treated as a Spouse for purposes of the Defined Contribution Plan to the extent provided under ~~an Eligible~~a Qualified Domestic Relations Order.

2.45 ~~2.40~~ Total Disability

"Total Disability" means a total and permanent inability of the Participant to perform the duties of his employment, as a result of a physical or mental condition of the Participant. The existence of a Total Disability shall be established by the certification of a physician or physicians selected by the Board of Trustees, unless the Board of Trustees determines that an examination is unnecessary.

2.46 ~~2.41~~ Trust Fund

"Trust Fund" means the assets held by the Board of Trustees under Article 8.

2.47 ~~2.42~~ Unions

"Unions" mean the Unions whose members are eligible to participate in the Defined Contribution Plan. These Unions are as follows:

(a) Wyoming City Employees Union.

(b) Wyoming Administrative and Supervisory Employees Association.

(c) Police Officers Labor Council Wyoming Command Division.

(d) Police Officers Labor Council Wyoming Division.

(e) Wyoming Fire Fighters Association.

For purposes of this definition, an Employee is considered to be a "member" of a Union if the Employee is included in the bargaining unit represented by that Union.

2.48 ~~2.43~~ USERRA

"USERRA" means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended.

Article 3

Participation

3.1 Eligible Employees

Each Employee who is normally scheduled to work at least 1,000 Hours of Service during a Plan Year shall be eligible to participate in the Defined Contribution Plan as provided in the Schedule that applies to the Employee's Benefit Group, except that the following shall be ineligible to participate in the Defined Contribution Plan:

(a) Any Employee who is currently earning a benefit under the Defined Benefit Plan.

(b) Any individual ~~compensated on a contractual or fee basis~~who is treated as an independent contractor for purposes of income tax withholding by the City.

(c) Any elected official of the City.

(d) Any individual who serves on a City board or commission, whether appointed or elected.

(e) Any person who is treated as the common-law employee of a leasing organization, including a Leased Employee.

(f) Any paid~~,~~ on-call or part-time fire fighter.

(g) Any temporary, part-time or seasonal Employee, including but not limited to an Employee employed for an emergency.

(h) Any individual who is a Team 21 Employee who is not a member of a Union and does not pay the service fees of a Union. For purposes of this Section, an Employee is considered to be a "member" of a Union if the Employee is included in the bargaining unit represented by that Union.

An Employee who is eligible under this Section shall be considered to work in Covered Employment and shall become a Participant on the applicable date provided in Section 3.2.

3.2 Date of Participation

Each Employee who works in Covered Employment shall become a Participant on the ~~one year anniversary of the~~ Employee's Date of Employment.

3.3 Participation After Reemployment

If an Employee has a Severance from Employment after becoming a Participant and is subsequently reemployed by Employer, he shall again be a Participant immediately upon being rehired by Employer in Covered Employment.

3.4 Transfer Between Benefit Groups

A Participant who transfers from one Benefit Group to another Benefit Group shall continue to participate in the Defined Contribution Plan.

3.5 Transfer to Ineligible Job Classification

A Participant who is transferred to a job classification which is not Covered Employment shall be ineligible to have additional contributions made to the Defined Contribution Plan on his behalf, except that the Participant shall receive an Employer Contribution for the time period during which the Participant worked in Covered Employment. The Employee shall continue as a Participant until his Account is distributed or forfeited under the terms of the Defined Contribution Plan.

Article 4

Employer Contributions

4.1 Eligibility to Receive a Contribution

Employer shall contribute an amount determined under Section 4.2 on behalf of each Participant who is employed in Covered Employment.

4.2 Amount of Contribution

Employer shall contribute an amount equal to a percentage of each Participant's Compensation for each payroll period. The applicable percentage is described in the Schedule that applies to the Participant's Benefit Group.

A Participant who is receiving both workers' compensation benefits and the difference between the Participant's net salary or wages, shall receive an Employer Contribution under this Section as if the Participant ~~were~~was actively working and receiving Compensation.

Employer Contributions shall be credited to Participants' Accounts.

4.3 Time for Payment of Contributions

Employer shall pay its Employer Contribution for a payroll period to the Trust as soon as administratively feasible following the payroll period.

4.4 Limits on Annual Additions

(a) General Rule The amount of Annual Additions which may be allocated to a Participant's Account for a Limitation Year shall not exceed the lesser of:

(1) $~~49,000,~~53,000, as adjusted under Section 415(d) of the Code for cost-of-living increases; or

(2) 100% of the Participant's Section 415 Compensation during the Limitation Year.

This limit on Annual Additions is called the "Section 415" Limit.

(b) Definitions For purposes of this Section, the following terms shall have the meanings described in this subsection:

(1) "Annual Additions" means the sum of the following amounts credited to a Participant's Account:

(A) Employer Contributions;

(B) Employee contributions;

(C) Forfeitures;

(D) Amounts allocated to an individual medical account under Section 415(l)(2) of the Code, which is part of a pension or annuity plan and from which benefits described in Section 401(h) of the Code are payable solely to the Participant, his spouse, or his dependents; and

(E) Amounts attributable to post-retirement medical benefits allocated to the separate account of a key employee, as defined in Section 419A(d)(3) of the Code, under a welfare benefit fund described in Section 419(e) of the Code which is maintained by Employer.

(2) "Section 415 Compensation" means the sum of the following:

(A) A Participant's wages and other payments which are reported on IRS Form W-2.

(B) A Participant's pay reduction contributions to a cafeteria plan under Section 125 of the Code (including Deemed Section 125 Compensation).

(C) A Participant's pay reduction contributions to a qualified transportation fringe benefit plan under Section 132(f) of the Code.

(D) A Participant's pay reduction contributions to a deferred compensation plan under Section 457 of the Code.

(E) Amounts paid to a Participant within 2½ months after the Participant has a Severance from Employment (or the end of the Limitation Year in which the Participant's Severance from Employment occurs, if later) if:

(i) The amounts are paid for services the Participant provided to Employer before his Severance from Employment, including regular compensation, bonuses, longevity pay, sick leave, incentive pay and commissions; or

(ii) The amounts are payments for accrued sick, vacation or other leave, if the Participant would have been able to use the leave if employment continued.

(F) ~~Amounts paid to a Participant that constitute "differential wage payments," as defined in Section 3401(b) of the Code, paid to a Participant who is performing Qualified Military Service while on active duty for a period of more than 30 days.~~Any Differential Wage Payment.

A Participant's Section 415 Compensation during a Limitation Year shall not exceed the dollar limit described in Section ~~2.12~~2.13.

If an Employee works for both Plan Sponsor and a Related Employer during a Limitation Year, his Section 415 Compensation shall include Compensation received from both Plan Sponsor and the Related Employer.

(3) **"~~Excess Amount"~~** ~~means the excess of the Participant's Annual Additions for the Limitation Year over the amount permitted under this Section.~~**Employer"** means Plan Sponsor and all Related Employers (as modified by Section 415(h) of the Code).

(4) **"Limitation Year"** for this Plan means the 12-consecutive-month period beginning on July 1 and ending on the following June 30.

(c) **Incorporation by Reference** To the extent not otherwise described in this Section, the provisions of ~~Section 415 of the Code and any regulations issued with regard to~~ Section 415 of the Code are incorporated in the ~~Defined Contribution~~ Plan by reference.

Article 5

Participants' Accounts

5.1 Establishment of Accounts

The Plan Administrator or the individual or entity to whom this responsibility is delegated shall establish and maintain an Account for each Participant. The Participants' separate Accounts may be commingled for investment purposes to the extent described in Section 5.3.

5.2 Vested Portion of Accounts

(a) Vested Percentage Amounts credited to a Participant's Account shall be fully vested and nonforfeitable if the Participant is employed by Employer as of the date of his Total Disability or death. If a Participant has a Severance from Employment for a reason other than Total Disability or death, the vested percentage of a Participant in his Account shall be based upon his Years of Vested Service and the following vesting schedule:

Years of Vested Service	Vested Percentage
Less than 1	0%
1 or more	100%

A Participant who dies while performing Qualified Military Service shall be 100% vested in his Account. ~~In addition, a Participant whose Date of Employment is before July 1, 2011 shall also be 100% vested in his Account upon attainment of "Normal Retirement Age." For this purpose, "Normal Retirement Age" has the same meaning as set forth in the Defined Benefit Plan, and the definition of the term "normal retirement age" in Article 2 of the Defined Benefit Plan is specifically incorporated into the Plan by reference.~~

(b) Years of Vested Service An Employee shall be credited with a Year of Vested Service if the Employee has at least 1,000 Hours of Service during the ~~12-consecutive-month period beginning on the Employee's Date of Employment or any anniversary of his Date of Employment~~Anniversary Year.

(c) Use of Forfeitures After a Participant has a Severance from Employment, the Plan Administrator shall determine the Participant's vested benefits in his Account under subsection (a) above. The nonvested portion of his Account shall be forfeited on the date of his Severance from Employment.

Subject to subsection (d) below, Forfeitures shall be used to pay administrative expenses of the Defined Contribution Plan or reduce the Employer Contribution otherwise required to be made under Section 4.2.

(a) **General Rule** A Participant may request payment of benefits at any time after his Total Disability or Severance from Employment. The Participant's Beneficiary may request payment of benefits at any time after the Participant's death. Payment shall be made as soon as administratively feasible after the distribution is requested.

If the Participant is younger than age 62 at the time he requests a distribution, the Plan Administrator shall provide the Participant with a written description of the right to defer any distribution during the 180-day period before the distribution is made. The description shall include the consequences of failing to defer receipt of benefit payments.

~~**(b)** **Sixty-Day Rule** Unless the Participant elects otherwise, benefits must be paid within 60 days after the close of the Plan Year in which the latest of the following occurs:~~

~~**(1)** The Participant attains age 65;~~

~~**(2)** The Participant's Severance from Employment; or~~

~~**(3)** The tenth anniversary of the date the Participant began participation in the Defined Contribution Plan.~~

~~No distribution is required under this subsection if a Participant who is eligible for a distribution fails to request a distribution. The Participant shall be considered to have elected a deferred distribution.~~

(b) ~~**(c)**~~ **Age 70½ Distribution Rule** ~~Notwithstanding~~Despite any contrary election by the Participant, the distribution of benefits to a Participant shall be made no later than the Participant's required beginning date under Section 401(a)(9) of the Code. ~~See Section 7.7 for more~~Additional information is contained in Section 7.7.

(c) **Excise Tax on Early Distributions** If a distribution from the Plan occurs before the Participant attains age 59½, an excise tax equal to 10% of the amount of the distribution may be imposed on the recipient unless one of the following exceptions applies:

(1) The distribution is rolled over to an Eligible Retirement Plan in a Direct Rollover or within 60 days after receipt.

(2) The distribution is made as a result of the Participant's Severance from Employment after the Participant attains age 55.

(3) The distribution is made as a result of the Participant's death.

(4) The distribution is made as a result of the Participant's disability within the meaning of Section 72(m)(7) of the Code.

(5) The distribution is used to pay deductible medical expenses (medical expenses exceeding 10% of adjusted gross income).

(6) The distribution is made under a Qualified Domestic Relations Order.

(7) The distribution is rolled over to a Roth IRA.

(8) The distribution is made after December 31, 2015 to a public safety employee as a result of the Participant's Severance from Employment after attaining age 50.

7.2 Amount of Distribution

The amount distributed to a Participant shall be determined by multiplying:

(a) His vested percentage in his Account as of the date of his Severance from Employment; by

(b) The amount received as a result of selling the Participant's interest in the investment funds.

The amount distributed shall also include any vested contributions made on behalf of the Participant subsequent to the sale of the Participant's interest in the investment funds.

The nonvested portion of a Participant's Account shall be forfeited as described in Section 5.2.

7.3 Method of Distribution

The vested amount in a Participant's Account shall be distributed in a single lump sum payment.

7.4 Distributions After the Participant's Death

If a Participant dies before the vested amount credited to his Account is distributed, the following rules apply:

(a) **Payment to Beneficiary** The vested amount credited to the Participant's Account shall be paid to the Participant's Beneficiary.

(b) **Time of Payment** The Beneficiary may request payment of a Participant's vested benefits at any time after the Participant's death. Payment shall be made as soon as administratively feasible after the distribution is requested.

(c) **Form of Payment** The Beneficiary shall receive a single lump sum payment.

~~**(d)**~~ ~~**Rollover by Nonspouse Beneficiary** A Beneficiary who is not the Participant's Spouse shall be permitted to elect a Direct Rollover to an individual retirement account of any death benefit payable to the Beneficiary.~~

7.5 Distributions Pursuant to ~~an Eligible~~a Qualified Domestic Relations Order

Benefits payable to an alternate payee under ~~an Eligible~~a Qualified Domestic Relations Order shall be paid in accordance with the terms of the order. However, the order may not require a distribution or any action which is impermissible under the terms of the Defined Contribution Plan and applicable law.

The order must be entered by the court and recognized by the Plan Administrator as ~~an Eligible~~a Qualified Domestic Relations Order before the Plan Administrator may implement the order. As soon as administratively feasible after the order is entered by the court and recognized by the Plan Administrator as ~~an Eligible~~a Qualified Domestic Relations Order, the Plan Administrator shall distribute the amount assigned to the alternate payee in a lump sum payment.

The alternate payee's benefits shall be distributed only from the Participant's vested benefits in his Account. The amount distributed to the alternate payee shall not exceed the Participant's vested benefits in his Account.

7.6 Eligible Rollover Distributions

If a Distributee receives an Eligible Rollover Distribution from the ~~Defined Contribution~~ Plan, the following rules supersede any other provisions in this Article.

(a) **Notice Requirement** No less than 30 days and no more than 180 days before a distribution, the Plan Administrator shall provide the Distributee with an explanation of:

(1) The rules under which the distribution may be paid in a Direct Rollover to an Eligible Retirement Plan;

(2) The rules that require income tax withholding if the distribution is not paid in a Direct Rollover;

(3) The rules under which the Distributee may roll over the distribution within 60 days of receipt; and

(4) Any other applicable tax rules.

However, the Distributee may elect to begin receiving benefits within 30 days after being provided the notice~~, provided~~ if the Distributee is ~~given~~clearly informed that he has at least 30 days ~~after receipt of the notice to consider~~to decide whether~~ or not~~ to receive a Direct Rollover.

(b) **Direct Rollover** The Distributee may elect a Direct Rollover of the distribution to an Eligible Retirement ~~plan~~Plan. However, the Distributee's right to elect a Direct Rollover is subject to the following:

(1) A Distributee may not elect a Direct Rollover to more than one Eligible Retirement Plan~~; and~~.

(2) The Distributee shall supply the Plan Administrator with any information the Plan Administrator reasonably requests in connection with the Direct Rollover.

(3) A Beneficiary who is not the Participant's Spouse may only elect a Direct Rollover to an IRA or Roth IRA of any death benefit payable to the Beneficiary. The IRA or Roth IRA shall be treated as "inherited."

(c) **Income Tax Withholding** Mandatory income tax withholding shall apply to the portion of the Eligible Rollover Distribution for which the Distributee does not elect a Direct Rollover.

7.7 **Minimum Required Distributions**

(a) **In General** This Section contains the minimum distribution requirements of Section 401(a)(9) of the Code, including the incidental death benefit rules in Section 401(a)(9)(G) of the Code. Distributions from the Defined Contribution Plan shall satisfy the requirements of Section 401(a)(9) of the Code and Treas. Reg. §1.401(a)(9)-1 through §1.401(a)(9)-9. These provisions shall override any other conflicting provision of the Defined Contribution Plan.

(b) **Definition of Required Beginning Date** Except as otherwise provided, a Participant's Required Beginning Date is the April 1 of the Calendar Year following the later of:

(1) The Calendar Year in which the Participant attains age 70½; or

(2) The Calendar Year in which the Participant's Severance from Employment occurs.

(c) **Distributions During a Participant's Lifetime** The following rules apply to distributions during a Participant's lifetime:

(1) **When Distributions Must be Made** The distribution of benefits during a Participant's lifetime shall be made no later than the Participant's Required Beginning Date.

(2) **Amount of Distributions** The Participant shall receive a lump sum payment of the vested amount credited to the Participant's Account.

(d) **Death of the Participant** If a Participant dies, the vested amount credited to a Participant's Account shall be distributed to the Participant's Beneficiary by the end of the Calendar Year that contains the fifth anniversary of the Participant's death.

7.8 **Lost Participants and Uncashed Benefit Checks**

(a) **Forfeiture of Accounts** If the vested portion of a Participant's ~~Account~~Accounts is payable under this Article, the Plan Administrator may treat the Participant's ~~Account~~Accounts as a Forfeiture ~~under Section 5.2(c) in~~if the following ~~situations~~requirements are satisfied:

(1) Either (A) or (B) occur:

~~**(1)** The Plan Administrator cannot locate the Participant. The Plan Administrator shall take the following steps before concluding that the Participant cannot be located:~~

(A) The Plan Administrator sends ~~the Participant's benefit check~~a letter to the Participant's last known address ~~and the check~~regarding the distribution of the Participant's benefits (or which includes a benefit check) and the letter is returned as undeliverable; ~~and~~ or

(B) The Plan Administrator sends the Participant's benefit check to the Participant's last known address and the check remains uncashed for 90 days; and

(2) If the Participant's vested benefit is at least $50, the Plan Administrator uses a commercial locator service~~, the Internal Revenue Service Letter Forwarding Program or the Social Security Administration Employer Reporting Service and fails to receive a response from~~ and cannot find the Participant.

This step is not required if the Participant~~ within 90 days.~~'s vested benefit is less than $50.

~~**(2)** The check remains outstanding for more than 90 days (or such other longer period as is periodically established by the Plan Administrator).~~

(b) **Restoration of Account** If the Participant's ~~Account is~~Accounts are forfeited under this Section and the Participant ~~or Beneficiary~~ subsequently applies for benefits under the ~~Defined Contribution~~ Plan, the vested amount credited to the Participant's ~~Account~~Accounts as of the date of the Forfeiture shall be restored to the Participant's ~~Account~~Accounts using one of the methods described in Section 5.2(d). No investment earnings shall be credited for the period between the date of the Forfeiture (or the date of the distribution, if earlier) and the date of the restoration. The Participant~~ or Beneficiary~~ shall then be entitled to receive a distribution of the Participant's vested benefits under the ~~Defined Contribution~~ Plan.

(c) **Beneficiaries** The provisions in this Section that apply to a Participant shall also apply to the Participant's Beneficiary if the Participant is deceased.

Article 8

Trust Fund and Trustee

8.1 Trust Fund

The City established the Trust Fund for the purpose of holding Employer contributions to the Defined Contribution Plan. The Trust Fund shall consist of contributions made to the Board of Trustees under the Defined Contribution Plan and earnings, gains or losses, resulting from investment of the Trust Fund. The Trust Fund is intended to meet the requirements of Sections 401(a) and 501(a) of the Code.

8.2 Acceptance of Trust by the Board of Trustees

By execution of an acceptance of trust, the secretary of the Board of Trustees shall accept the trust created under this Article on behalf of the Board of Trustees. The Board of Trustees shall agree to be responsible for the management and administration of the Trust Fund in accordance with the terms of the Defined Contribution Plan.

8.3 Trust Fund

Title to the assets of the Trust Fund shall at all times be vested exclusively in the Board of Trustees. The Board of Trustees is to have exclusive authority and discretion to hold, manage and control the assets of the Trust Fund, including utilizing the services of a custodian to hold or invest the assets of the Trust Fund.

8.4 Contributions to the Trust Fund

The Board of Trustees shall be entitled to receive from Employer only the sums of money and other property which Employer pays or delivers to the Board of Trustees. The Board of Trustees shall not have the right and shall not be subject to any duty to demand from Employer any other sums of money or other property, nor to require any contributions to be made nor to determine that the contributions received comply with the Defined Contribution Plan. The contributions shall be made in cash or other property acceptable to the Board of Trustees. All contributions to the Trust Fund shall be deemed to take place in the state of Michigan.

8.5 Nonreversion of Trust Fund Assets

Employer shall have no direct or indirect interest in the Trust Fund except as follows:

(a) The Trust Fund may be used to defray the reasonable expenses of administering the Defined Contribution Plan and Trust Fund.

(a) A Participant may assign a portion of his Account to an alternate payee under ~~an Eligible~~a Qualified Domestic Relations Order, as provided in Section 7.5.

(b) A Participant's Account may be transferred or assigned to the extent permitted by Section 401(a)(13) of the Code and its regulations.

(c) Employer shall have the right of setoff for any claim arising from embezzlement or fraud by a Participant and for any overpayments.

(d) A Participant's Account may be transferred or assigned to the extent permitted under the Public Employee Retirement Benefits Forfeiture Act (MCL 38.2701 et. seq.) and the State Correctional Facility Reimbursement Act (MCL 800.401 et. seq.).

10.4 Military Service

A Participant who returns to employment with Employer from Qualified Military Service within the time limits established by USERRA is entitled to receive the Employer Contributions the Participant would have received if the Participant had been employed by Employer during the period of Qualified Military Service. No earnings shall be credited on make-up contributions for any period prior to the date they are actually made. Make-up contributions shall be treated as having been made in the Plan Year for which they are credited and not the Plan Year in which they are actually contributed.

(a) Employer Contributions Within 90 days after the date the Participant returns to employment with Employer, Employer shall contribute to the Defined Contribution Plan the Employer Contributions that would have been contributed for the Participant if the Participant had continued to be employed by Employer during the period of Qualified Military Service and received Compensation at the rate determined below. However, if it is impossible or unreasonable for Employer to make the contribution within 90 days after the Participant's date of reemployment, Employer shall make the contribution as soon as practicable after the Participant's date of reemployment.

(b) Compensation For purposes of determining the amount of make-up Employer Contributions to be made by Employer, the Participant shall be treated as having received Compensation from Employer during the period of Qualified Military Service equal to:

(1) Projected Compensation The rate of pay the Employee would have received from Employer but for absence during the period of Qualified Military Service; or

(2) Prior Compensation If the Compensation the Employee would have received during such period is not reasonably certain, the Employee's average Compensation from Employer during the 12-month period immediately preceding the Qualified Military Service (or, if shorter, the period of employment immediately preceding the Qualified Military Service).

In the event of a partial termination, only the Accounts of the affected Participants shall become fully vested and be distributed. The Accounts of the remaining Participants shall continue to be subject to all of the provisions of the Defined Contribution Plan.

Any distribution under this Section shall be in a single lump sum payment.

Article 12

Miscellaneous Provisions

12.1 Age

Any reference in the Defined Contribution Plan to age shall mean the age of the individual as of the individual's last birthday.

12.2 Uniformity of Treatment

Any discretionary action taken under the Defined Contribution Plan by the Plan Administrator or Employer shall be uniform in its application to similarly situated persons.

12.3 Notices and Elections

Except as otherwise provided in the Defined Contribution Plan, notices, elections and requests for distributions may be provided or made through electronic media to the extent permitted by applicable law.

12.4 Construction

Words used in the masculine shall apply to the feminine where applicable. Wherever the context of the Defined Contribution Plan dictates, the plural shall be read as the singular and the singular as the plural.

12.5 Governing law

To the extent that Michigan law has not been preempted by federal law, the provisions in the Defined Contribution Plan shall be governed by the laws of the state of Michigan.

12.6 Collective Bargaining Agreement

To the extent that a provision in the Plan conflicts with a specific provision of a Collective Bargaining Agreement for a Benefit Group, the specific provision in the Collective Bargaining Agreement shall control.

Signature

Plan Sponsor has signed the amended and restated City of Wyoming Defined Contribution Plan this _____ day of _____, ~~2011.~~2015.

Schedule G
to the
City of Wyoming
Defined Contribution Plan

Administrative Contract Benefit Group

Section	**Provision**
3.1	Eligible Employees Members of this Benefit Group are eligible to participate in the Defined Contribution Plan if the Employee's current employment contract with the City provides for participation in the Defined Contribution Plan. Election to Transfer From Defined Benefit Plan Members of this Benefit Group who participate in the Defined Benefit Plan may not elect to transfer to the Defined Contribution Plan.
4.2	Contribution Amount Employer shall contribute an amount equal to 8% of the Participant's Compensation or if, different, the amount required under the Participant's current employment contract with the City.

RESOLUTION NO. _____

RESOLUTION TO ADOPT AND APPROVE BY-LAWS FOR
THE WYOMING RETIREMENT SYSTEM BOARD OF TRUSTEES

WHEREAS:

1. The Wyoming Retirement System attorney recommends that By-laws be adopted for the Retirement System Board of Trustees.
2. The Wyoming Retirement System Board of Trustees reviewed and approved the proposed By-laws at their December 2, 2015 Board meeting.
3. Amendments to the By-laws must be approved by the City Council.

NOW, THEREFORE, BE IT RESOLVED:

1. The By-laws of the Wyoming Retirement System Board of Trustees as attached, are adopted and approved, are effective immediately, and until such time as further amendments are appropriate.

Moved by Councilmember:
Seconded by Councilmember:
Motion Carried Yes
No

I hereby certify that the foregoing Resolution was adopted by the City Council for the City of Wyoming, Michigan at a regular session held on: January 18, 2016.

_____
Kelli A. VandenBerg, Wyoming City Clerk

ATTACHMENTS:

By-Laws of Wyoming Retirement System Board of Trustees

CITY OF WYOMING RETIREMENT SYSTEM BOARD OF TRUSTEES
BY-LAWS

1. AUTHORITY

These By-Laws are adopted by the City of Wyoming Retirement System Board of Trustees (hereinafter referred to as the Board) pursuant to Article 14 of the City of Wyoming Defined Benefit Plan as amended and as approved by City Council, to establish and document the membership and operating rules for the Board. The Board shall have authority to invest assets of the City of Wyoming Defined Benefit Plan, the City of Wyoming Defined Contribution Plan, the City of Wyoming Retiree Medical Trust and Benefit Policy, the City of Wyoming Post-Employment Health Plan and the City of Wyoming Code Section 457(b) Plan (collectively the "Plans"). The Board shall also have the authority to administer the Defined Benefit Plan, the Defined Contribution Plan and the Code Section 457(b) Plan. The Board does not have the authority to administer the Retiree Medical Coverage as that is the sole responsibility of the City. The Board shall exercise its authority in accordance with this document and the respective plans until the City removes the Board or reduces its authority as set forth in the respective plan.

2. MEMBERSHIP

2.1. Voting Membership. See Section 14.1 of the Defined Benefit Plan.

2.2. Term of Office; Vacancy. See Section 14.2 of the Defined Benefit Plan.

2.3. Election.

1. **Nominations.** Nominations shall be solicited by the secretary of the Board from the appropriate bargaining unit president at least three months before the expiration of the candidate's term. Nominations shall be collected by the secretary of the Board, who shall prepare and distribute ballets to relevant City departments for circulation to appropriate bargaining unit members.

2. **Voting.** Voting shall occur at least one month prior to the expiration of the candidate's term. Members must return their ballots to the City of Wyoming Clerk's office for tabulation. The secretary of the Board shall disseminate the election results to the Board and appropriate bargaining unit in a timely manner.

3. OFFICERS

3.1. Selection. At its July meeting, the Board shall select from its membership a chairperson and vice-chairperson. The Board shall be staffed by a secretary and treasurer as described in Sections 14.3 of the Defined Benefit Plan.

3.2. Duties.

1. **Chairperson.** The chairperson shall preside at all meetings and shall conduct all meetings in accordance with the rules provided herein. The chairperson shall, in coordination with the secretary, be responsible for setting and reviewing the meeting agenda prior to each meeting. The chairperson shall, in coordination with the treasurer, prepare an annual budget and provide budget updates to the Board on a regular basis.

2. **Vice-Chairperson.** The vice chairperson shall act in the capacity of the chairperson in the absence of the chairperson and shall succeed to the office of chairperson in the event of a vacancy in that office, in which case the Board shall elect a successor to the office of the vice chairperson at the earliest practicable time.

3. **Treasurer.** The treasurer shall be Director of Finance or as designated by the person serving in this capacity. The treasurer shall be responsible for preparing various pension, OPEB reports, or associated financial reports , and shall serve as custodian of the assets of the retirement system except as to such assets as the Board may from time to time hold, as authorized by State law. The treasurer shall, in coordination with the chairperson, prepare an annual budget and provide budget updates to the Board on a regular basis.

4. **Secretary.** The secretary shall be the Director of Human Resources or as designated by the person serving in this capacity. The secretary shall, in conjunction with the chairperson, be responsible for the meeting agenda preparation and distribution. The secretary shall be responsible for overseeing the preparation of meeting minutes; keeping of pertinent public records; delivering communications, petitions, reports, and related items of business to the Board; issuing notices of public hearings; and performing related administrative duties to assure efficient and informed Board operations.

3.3. Tenure. The officers shall take office immediately following their election. They shall hold their office for a term of one year, or until their successors are elected and assume office.

3.4. Attendance at Board Meetings. If a trustee has an excessive number of unexcused absences, the trustee may be removed as trustee in accordance with Section 38.1141 of the Michigan Public Employee Retirement System Investment Act by the majority vote of the Board of Trustees.

4. MEETINGS

4.1. Meeting Notices. All meetings shall be posted at the offices of the City of Wyoming according to the Open Meetings Act. The notice shall include the date, time and location of the meeting.

4.2. **Regular Meetings.** Regular meetings of the Board shall be held at least quarterly on dates established by the Board. The dates and times shall be posted and in accordance with the Open Meetings Act. Any changes in the date, time or location of regular meetings shall be posted and noticed in the same manner as originally established. When a regular meeting date falls on or near a legal holiday, the Board may select suitable alternate dates in the same month, in accordance with the Open Meetings Act.

4.3. **Special Meetings.** A special meeting may be called by two members of the Board upon written request to the City Manager or by the Chairperson. The business that the Board may perform shall be conducted at a public meeting held in compliance with the Open Meetings Act. Public Notice of the time, date, and place of the special meeting shall be given in a manner as required by the Open Meetings Act, and the Secretary shall notify Board members not less than 48 hours in advance of the meeting.

4.4. **Quorum.** In order for the Board to conduct business or take any official action, a quorum consisting of four voting members of the Board shall be present. When a quorum is not present, no official action, except for closing of the meeting, may take place. The members of the Board may discuss matters of interest, but can take no action until the next regular or special meeting.

4.5. **Voting.** An affirmative vote of the majority (4) of the Board shall be required for the approval of any requested action or motion placed before the Board. Voting shall ordinarily be by voice vote; provided however that a roll call vote shall be required if requested by any Board member or directed by the Chairperson. All members of the Board including the Chairperson shall vote on all matters, but the Chairperson shall vote last. Any member may be excused from voting only if that person has a bonafide conflict of interest as recognized by the majority of the remaining members of the Board. Any member abstaining from a vote shall not participate in the discussion of that item.

4.6. **Order of Business.** A written agenda for all meetings shall be prepared and followed. Additions to or deletions from the agenda for regular meetings may be made by a majority vote of the members present.

4.7. **Rules of Order.** All meetings of the Board shall be conducted in accordance with generally accepted parliamentary procedures, as governed by Robert's Rules of Orders.

4.8. **Conflict of Interest.** Board members shall adhere to the Ethics Policy and Professional Training and Education Polices adopted by the Board and the provisions of Michigan law relating to conflict of interest.

5. MINUTES

The Secretary of the Board shall prepare Board minutes. The minutes shall contain a brief synopsis of the meeting, including a complete restatement of all motions and recording of

votes; complete statement of the conditions or recommendations made on any action; and recording of attendance. All communications, actions, and resolutions shall be attached to the minutes. The official records shall be deposited with the City Clerk at least annually.

6. OPEN MEETINGS AND FREEDOM OF INFORMATION PROVISIONS

6.1. All meetings of the Board shall be open to the public and held in a place available to the general public. The Board may, however, go into closed session in accordance with the Open Meetings Act.

6.2. All deliberations and decisions of the Board shall be made at a meeting open to the public.

6.3. A person shall be permitted to address the Board under the rules established in these By-Laws.

6.4. A person shall not be excluded from a meeting of the Board except for breach of the peace committed at the meeting.

6.5. All records, files, publications, correspondence, and other materials available to the public for reading, copying, and other purposes are governed by the Freedom of Information Act.

7. DUTIES OF THE BOARD

7.1. All Plans.

1. Receive investment reports relating to the Defined Benefit Plan and Retiree Medical Trust at least quarterly and investment reports relating to the Defined Contribution Plan, the 457(b) Plan and the Post Employment Health Trust at least annually.

2. The Board has the responsibility and authority to hold, manage and control the assets of the trust fund for each Plan, with the assistance of investment managers and custodians. Because participants in the Defined Contribution Plan, the Code Section 457(b) Plan and the Post Employment Health Plan have been given the authority to direct the investment of their accounts in those Plans, the Board's investment responsibilities with respect to those Plans are limited to hiring, firing and overseeing the third party investment providers and making sure that the investment options available under the Plans are prudent, allow participants to adequately diversify the assets in their accounts and that the fees being charged to their accounts are reasonable.

3. The Board has the responsibility and authority to hire and fire third party investment managers, advisors and providers for the Plans and to pay reasonable administrative expenses out of the appropriate trust fund of a Plan.

7.2. Administration of Defined Benefit Plan and Defined Contribution Plan

1. The Board shall exercise the following duties and responsibilities:

* Maintain records pertaining to the Defined Benefit Plan and Defined Contribution Plan.

* Interpret the terms and provisions of the Defined Benefit Plan and Defined Contribution Plan.

* Decide all questions of eligibility for participation in the Defined Benefit Plan and Defined Contribution Plan.

* Decide all questions of eligibility for benefit payments and determine the amount and manner of the payment of benefits.

* Establish procedures by which Participants, Vested Terminated Participants and Beneficiaries may apply for benefits under the Defined Benefit Plan and Defined Contribution Plan and appeal a denial of benefits.

* Determine the rights under the Defined Benefit Plan and Defined Contribution Plan of any Participant, Vested Terminated Participant or Beneficiary applying for or receiving benefits.

* Authorize the payment of benefits to all individuals entitled to benefits under the Defined Benefit Plan and Defined Contribution Plan, and to pay the administrative expenses of the Defined Benefit Plan and Defined Contribution Plan.

* Administer the appeal procedure provided for in Section 14.10 of the Defined Benefit Plan and Section 9.6 of the Defined Contribution Plan.

* Delegate specific responsibilities for the operation and administration of the Defined Benefit Plan and Defined Contribution Plan to Employees or agents.

* Enter into contracts with third party service providers regarding the administration of the Defined Benefit Plan or Defined Contribution Plan after review and approval of legal counsel.

* Determine the employment status of any person providing services to Employer.

* To the extent permitted by applicable law, take voluntary action to self-correct operational errors in the administration of the Defined Benefit Plan and Defined Contribution Plan.

2. **Standard of Care.** The Board shall administer the Defined Benefit Plan and Defined Contribution Plan in accordance with the terms of the Defined Benefit Plan, the Defined Contribution Plan and the Ethics Policy maintained by the Board.

See Sections 14.8 to 15.4 of the Defined Benefit Plan and Sections 9.4 and 9.5 of the Defined Contribution Plan.

8. AMENDMENTS

These By-Laws may be amended by the Board during any regular or special meeting, provided that all members have received a copy of the proposed amendment at least 3 days prior to the meeting at which such amendment is to be considered. However, no amendment shall become effective until it has been approved by City Council.

Adopted: At a meeting of the City of Wyoming Retirement System Board of Trustees on _____, ____.

CITY OF WYOMING RETIREMENT SYSTEM
BOARD OF TRUSTEES

ETHICS POLICY

Adopted: _____, 2015
(to be reviewed and renewed every 3 years)

I. PURPOSE

The Board of Trustees of the City of Wyoming Retirement System (the "Board") was established pursuant to Article 14 of the City of Wyoming Defined Benefit Plan, and its members serve as Board members of the City of Wyoming Defined Benefit Plan, the City of Wyoming Defined Contribution Plan, the City of Wyoming Retiree Medical Trust and Benefit Policy, the City of Wyoming Post Employment Health Plan and the City of Wyoming Code Section 457(b) Plan ("Plans"). Board members are fiduciaries to the Plans and must prudently administer the retirement system (the Defined Benefit Plan and the Defined Contribution Plan) and invest the assets of the Plans for the sole and exclusive benefit of Plan members, retirees and beneficiaries.

In order to maintain the respect, trust and confidence of its members and retirees, all Board members must use the powers and resources of their office only to advance the interests of Plan members, retirees and beneficiaries, and not to obtain personal benefits or pursue private advantage incompatible with these interests. Board members shall conduct themselves in a manner that justifies the confidence placed in them by Plan members, retirees and beneficiaries, at all times maintaining their integrity and discharging their responsibilities ethically in the course of their association with the Plans.

In furtherance of its duties and obligations, the Board hereby adopts this Ethics Policy, which is established to define the ethical and behavioral guidelines within which all Board members are expected to conduct themselves.

II. GENERAL ETHICAL PRINCIPLES

A. Board members shall comply with all applicable legal, fiduciary and professional standards, including the applicable standards and duties within Michigan Public Act 314 of 1965, as amended (M.C.L. § 38.1132 et seq.) ("Act 314"), in addition to the duties described herein.

B. Board members shall discharge their duties solely in the interest of Plan participants and beneficiaries and make investments for the exclusive purpose of providing benefits to Plan participants and beneficiaries.

C. Board members shall act with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar

capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims.

D. Board members shall be loyal to the interests of the Plans, their participants and its beneficiaries.

E. Board members shall diligently attend to the business of the Board and shall not leave to other Board members control over the administration of the affairs of the Board.

F. Board members shall provide fair and equal treatment for all persons and matters coming before the Board or any Board committee.

G. Board members shall conduct themselves with integrity and act in a professional and ethical manner in their dealings with fellow Board members, Plan employees, service providers, and the public.

H. Board members shall maintain high ethical and moral character, both professionally and personally, such that their conduct shall not reflect negatively upon the Board or the Plans.

I. Board members shall use proper care, due diligence, and exercise independent professional judgment.

J. Board members shall not use their relationship with the Plans to seek or obtain personal gain and shall avoid any conflict of interest with respect to their fiduciary responsibilities.

K. Board members shall conduct official and private affairs so as to avoid giving rise to a reasonable conclusion that he or she can be improperly influenced in the performance of his or her public duty or that he or she is using his or her position on the Board to further his or her own financial interests.

L. Board members have a duty to be informed so as to be familiar with applicable state and federal laws and other matters relating to their duties as a Board member.

M. Board members shall not engage in any outside employment or other activity that is not compatible with the full and proper discharge of their duties and responsibilities with the Board.

III. PROHIBITED TRANSACTIONS

A. A Board member shall not cause a Plan to engage in a transaction if he or she knows or should know that the transaction is a transaction described in Section 13, subsection (8) of Act 314, either directly or indirectly.

B. A Board member shall not engage in any of the following prohibited acts under Section 13, subsection (9) of Act 314:

1. Deal with the assets of a Plan in his or her own interest for his or her own account;

2. In his or her individual or any other capacity act in any transaction involving a Plan on behalf of a party whose interests are adverse to the interests of the Plan or the interests of Plan participants or beneficiaries; or

3. Receive any consideration for his or her own personal account from any party dealing with a Plan in connection with a transaction involving Plan assets.

IV. CONFLICTS OF INTEREST AND DISCLOSURE OF CONFLICTS

A. Board members shall avoid any conflict of interest with respect to their fiduciary responsibilities. A conflict of interest is understood to be a situation where a personal or private, commercial, or business relationship or interest exists that could reasonably be expected to diminish independence of judgment in the performance of the Board member's responsibilities to the Plans.

B. Board members shall promptly disclose any actual or potential conflicts of interest in detail sufficient to be understood by the Board and by the public. Disclosure may be made orally during Board meetings or by submission of a written statement to the Chair of the Board, with a copy to all Board members. Disclosure shall be made immediately prior to the Board's consideration of a matter, and shall be reflected in the official record of the meeting.

C. If the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall disqualify himself or herself from making, participating in, or attempting to influence any Board decision on such issue after publically disclosing such conflict of interest. Recusal from acting on any matter in which an actual or potential conflict exists is required.

V. NEPOTISM

A. Board members acknowledge that all Plan business transactions are to be based on integrity, competence, and financial merit and benefit to Plan participants and beneficiaries, and not on personal relationships.

B. Board members shall not use their positions to unduly influence the Plans or Plan employees to obtain employment for themselves, family members, or close associates.

C. Board members shall not use their positions to unduly influence the Plans or Plan employees to obtain business for their employer, themselves, family members, or close associates, either directly or indirectly.

D. Notwithstanding the foregoing, on the basis of objective qualifications and competitive cost, the Board is not prohibited from hiring or retaining the relative of a Board member or a Plan employee; however, it will be incumbent upon the Board member or Plan employee to disclose such a relationship to the Board as early in the evaluation and selection process as is reasonably possible.

VI. GIFTS

A. Board members shall not, directly or indirectly, solicit, accept or receive any gift, service, favor, entertainment, or any other thing of value, under circumstances in which it could reasonably be expected or perceived to compromise, impair or influence him or her, in the performance of his or her official duties or was intended as a reward for any official action on his or her part.

B. Board members shall not, directly or indirectly, solicit, accept or receive any gift, service, favor, entertainment, or any other thing of value (including meals, lodging, entertainment, transportation or invitations to social/sporting/cultural events) from any single current, prospective or potential service provider which exceeds a value totaling $100 in any calendar year. However, this limitation on gifts shall not apply:

1. to business meals/receptions where a representative of a service provider is present for the purpose of conducting business or providing education;

2. to seminars/conferences sponsored by a current or prospective vendor where attendance is approved by the Board pursuant to the Plan's Education and Travel Policy;

3. to participation in recreational or social events while attending a seminar/conference, provided said events are available to a majority of the seminar/conference attendees; or

4. to participation in recreational or social events sponsored by a service provider or prospective service provider provided the service provider will be present and attendance is expected to benefit the Plans.

C. If a Board member receives an unsolicited, prohibited contribution or gift, he or she should return such contribution or gift to the source; however, if returning the contribution or gift is not possible or feasible, the contribution or gift should be donated to a charitable organization.

D. No cash, cash equivalents or securities of any value may ever be accepted.

VII. PROHIBITED CONDUCT RELATED TO POLITICAL CONTRIBUTIONS

Board members shall comply with the requirements of Section 13e of Act 314 concerning payments from the assets of the Plans to service providers or covered associates of

service providers where the service provider has made a contribution to an official of a governmental entity within the preceding 24 months.

VIII. SERVICE PROVIDERS

A. All parties who engage in business or seek to do business with the Plans directly or indirectly are required to disclose whether they have provided, or have been requested to provide, during the preceding 12 months, any gifts to Board members. The information disclosed will be retained by the Chairperson of the Board (even if the response is that no gifts were made) for a period of six (6) years from the disclosure unless a longer period is required under applicable law. Prior to any contract decisions made by the Board, the Chairperson of the Board and the Board's general counsel will obtain and provide any third party disclosures to the Board. Appropriate Plan employees shall be responsible for responding to requests for such disclosures, and for notifying affected Board members when information concerning gifts or contributions to them is being disclosed.

B. Written notice of the Plan's gift prohibitions shall be provided to all prospective service providers.

C. During the pendency of any Request for Proposal or similar invitation to bid ("RFP"), no person or entity that submits an application or bid for the award of a contract with the Plan, nor an agent for such person or entity, may have any communication concerning any topic with the Board member, except as expressly provided in the procurement document. This communication restriction exists from the date that the procurement document is mailed until the contract is awarded.

D. Any applicant or bidder who violates these communication restrictions, or permits an agent to violate these restrictions on behalf of the applicant or bidder, will be immediately disqualified from further consideration under the solicitation. However, these communication restrictions shall not apply to:

1. Plan employees who are identified within the Request for Proposal or similar invitation to bid as responsible for responding to prospective applicant or bidder questions;

2. Communications by a firm under contract to provide services to the Plan, where the communication is made formally to the Board and relates to the services for which the firm has been retained; and

3. Communication that is required of finalists, consistent with the terms of the RFP, for the purpose of providing the Board and Plan employees with information that updates any information previously included in the proposal or bid.

IX. CONFIDENTIAL INFORMATION

A. Board members shall not obtain, disclose, provide access to or use for personal reasons or private gain any confidential information acquired as a result of his or her position as a Board member.

B. A Board member shall not use information to which he or she has access by reason of his or her office to acquire, or aid another to acquire, a pecuniary interest in any property, transaction or enterprise that may be affected by the information; speculate, or aid another to speculate, on the information; or coerce another to suppress or fail to report that information to a law enforcement agency.

C. Board members may not disclose confidential information, except when duly authorized personnel determine that disclosure is either permitted or required by law.

X. COMMUNICATIONS WITH PLAN MEMBERS

A. Board members shall be aware of the risk of communicating inaccurate information to Plan participants and beneficiaries and the potential exposure to liability and possible harm to a Plan participant or beneficiary that may result from such miscommunications.

B. Board members shall mitigate the risk of miscommunication with Plan participants or beneficiaries and thereby avoid creating additional liability for the Plans by refraining from providing specific advice or counsel with respect to rights or benefits to which a Plan participant or beneficiary may be entitled under the Plans. Where explicit advice or counsel is needed, Board members will refer inquiries to the appropriate designee.

XI. COMPLIANCE AND ENFORCEMENT

Violation of this Ethics Policy is grounds to remove the offender from his or her position as a Board member or from any other assignment on behalf of the Board, and may also subject the offender to reprimand or censure by the Board. The Board may also pursue all available legal remedies against any Board member who violates the provisions of this Ethics Policy.

Board members shall sign an affirmation statement, stating that they have received and read this Ethics Policy, that they will comply with its provisions, and that it is their duty to report violations of this Ethics Policy.

No Board member may engage in illegal activities at any time, in matters related to the Plans. Such illegal behavior is not tolerated and is subject to immediate discipline, including possible termination and prosecution.

XII. POLICY REVIEW

The Board shall review this Ethics Policy at least every three years to ensure that it remains relevant and appropriate. The Board may amend this policy, from time to time, by action of the Board.

City of Wyoming Retirement System – Board of Trustees

Professional Training & Education Policy

Adopted as of _____, 2015 (to be reviewed at least every 3 years)

I. POLICY

1. **Purpose:** The Board of Trustees of the City of Wyoming Retirement System (the "System") recognizes and affirms the importance of education in fulfilling its constitutional and statutory fiduciary duty to prudently administer the System and prudently invest the assets of the Trust funds established under the System and the City of Wyoming Code Section 457(b) Plan, City of Wyoming Retiree Medical Trust and Benefit Policy and the Post Employment Health Plan (collectively with the System the "Plans") for the sole and exclusive benefit of the Plan members, retirees and beneficiaries as set forth below.

2. **Policy:** The Plans provide for the direct reimbursement of the cost of professional training and education, including travel costs, incurred by members of the Board ("Board member") in connection with their attendance at education and training programs, subject to the terms of this Professional Training and Education Policy ("Education Policy"). Professional training and education for individuals who are not members of the Board shall be approved by the Board.

3. **Objectives:** The objectives of this Education Policy are as follows:

   a. To ensure that all Board members have access to and gain the knowledge necessary to prudently and effectively carry out their fiduciary and statutory duties.

   b. To ensure that Board members possess shared trust and a common base of knowledge relevant to pension fund administration, the investment of trust assets, and fiduciary practices sufficient to enable effective group discussion, debate, and decision-making.

   c. To encourage all Board members to seek and maintain up-to-date knowledge regarding the information necessary to prudently administer the Plan.

II. PRINCIPLES AND GUIDELINES

1. **Statutory References**: Section 13 of Michigan Public Act 314 of 1965, as amended (M.C.L. § 38.1132 et seq.) ("Act 314") mandates that the Board and other fiduciaries of the Plan discharge their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims. Section 13.(3)(h) of Act 314 requires the Board to "prepare and maintain written policies regarding ethics and professional training and education, including travel" with clearly defined accountability and reporting requirements.

2. Operational Guidelines – General:

a. Overview: Prudent administration requires each Board member to achieve and maintain proficiency in the conduct of the Plan's business by educating himself or herself in matters central to the administration of the Plan and the investment of retirement funds. Accordingly, Board members shall pursue an appropriate level of education across a broad spectrum of public pension fund-related areas, rather than limiting their education to particular subjects. Board members will also endeavor to gain knowledge that is consistent and appropriate with the Board's role as a high-level, policy-setting and oversight body.

b. Areas of Board Member Education: The general topic areas for Board member education include, but are not limited to, the following:

1. Fiduciary responsibilities;
2. Effective governance practices;
3. Institutional investment practices, asset allocation principles and investment program management;
4. Actuarial analysis;
5. Pension funding policy;
6. Benefits structure and administration;
7. Fiscal management and audit procedures;
8. Selection and retention of plan professionals;
9. Regulatory and legal considerations; and
10. Ethics.

c. Conference Attendance: In order to meet the objectives of this Education Policy, Board members are encouraged to attend at least one national pension organization conference outside of the State or one Michigan Association of Public Employee Retirement Systems ("MAPERS") conference within the State each year.

d. Trustee Mileage Reimbursement: The Plan will reimburse Board members for mileage driven to an out-of-City meeting, training seminar or conference. Mileage will be calculated and reimbursed based on the City Administration Building to destination. Reimbursement will be for whole miles driven times the rate established by the Internal Revenue Service in effect for the time period relating to travel. Information on documentation required and time frames is provided for in the City of Wyoming policies.

e. Public Transportation: Board members are expected to travel by the most economical means possible when attending training and educational programs.

Where multiple alternative combinations of travel are available, the method that maximizes the savings to the Plan will be used as the standard for reimbursement.

f. **Authorization:** All education and travel expenses incurred by Board members must be authorized by the City Manager in his capacity as a member of the Board. For internal control purposes, the Board Chairperson or Vice Chairperson will approve expenses incurred by the City Manager.

g. **Available Funds:** No training and education expenses, including travel costs and other expenses associated with attending an education program, will be authorized or paid unless sufficient budgeted funds are available. Pursuant to Section 13.6 of Act 314, the Board may use a portion of the Plan's income to defray the cost of professional training and education for its members and for Plan personnel, including travel costs, provided that the professional training and education, including travel, are directly related to the administration, management, and operation of the Plan. The Board is required to establish an annual budget to cover such costs and which reflects the number of Board members, the size of the Plan and the educational objectives of the Plan. The total aggregate costs for professional training and education, including travel costs and other expenses associated with attending an education program, authorized by such annual budget may not exceed the lesser of (i) $15,000 or (ii) an amount equal to $1,200 multiplied by the number of Board members, with professional training, education, and travel costs not to exceed $3,000 for any one Board member. Such limits on the total aggregate cost may be adjusted in future years based on inflation.

3. **Operational Guidelines – Additional:** The Plan will only process requests for direct or reimbursable expenses that are received with all required documentation approved and certified by the authorized individual or his/her designee.

a. **Reimbursement Documentation:** Original itemized receipts or other legible documents to verify the amount of the expenses to be reimbursed must accompany all requests for reimbursement and be certified by the authorized individual or his/her designee. Unless otherwise stated, with respect to any Board members employed by the City, failure to supply receipts (where required by this policy and/or IRS procedures) shall result in reimbursement of expenses through payroll as taxable income.

b. **Reimbursement of Prepaid Expense:** Airfare and the first night's lodging may be reimbursed prior to travel only if the Board member is employed by the City and signs an affidavit permitting the Plan to withhold from his/her payroll check any reimbursement amount so advanced in the event that the Board member is removed from his or her position or does not travel as intended. Other expenses paid directly by Board members will be made only after the travel is completed and all required supporting documentation is certified by the authorized individual and approved by the Chairperson of the Board.

c. **Direct Documentation:** Invoices or similar printed material from the proposed vendor (payee) must accompany all requests for direct payment and be certified by the authorized individual or his/her designee.

d. **Verification:** The Plan shall not process any expense submitted without or not supported by the required documentation, and may verify any request which appears to conflict with the Education Policy.

e. **Cash Advances:** The Plan will not issue cash advances to Board members for training and education expenses, or for the travel costs and other expenses associated with attending an education program.

4. **Exceptions:** The Chairperson of the Board may consider requests to waive any requirement or limitation contained in this policy, so long as the request to waive is submitted prior to incurring the expense.

   a. **Exceptions – Procedures:** The Chairperson of the Board has the authority to approve request to waive any requirement contained in the procedures or standards adopted to implement the Policy as they apply to all Board members (other than the Chairperson), so long as it does not constitute a waiver of this Education Policy or a violation of any applicable laws or regulations.

5. **Reporting:** A Board member attending a conference shall provide a brief assessment on the quality and relevance of each conference attended at the Board's next regular meeting.

6. **Implementation Authority:** Upon adoption of this Education Policy, the Plan authorizes the Chairperson of the Board to establish any standards and procedures that may be necessary for implementation. Further, the Plan authorizes the Chairperson of the Board to develop an annual budget.

   a. **Compliance:** The responsibility for ensuring compliance with these policies and the procedures promulgated under it rest with the Chairperson of the Board.

   b. **Interpretation and Enforcement:** The Chairperson of the Board will be responsible for interpretation and enforcement of these policies as they apply to all Board members.

7. **Periodic Review:** The Board will review this policy at least every three years and adopt any beneficial changes.

RESOLUTION NO. 23947

RESOLUTION TO ADOPT THE AMENDED AND RESTATED RETIREMENT AND RETIREE HEALTH PLANS

WHEREAS, the City of Wyoming established its retirement system as a defined benefit pension plan effective as of October 1, 1962 (the "Defined Benefit Plan"); and

WHEREAS, the Defined Benefit Plan was last amended and restated effective as of July 1, 1996; and

WHEREAS, the City established the City of Wyoming Defined Contribution Plan as part of its retirement system effective as of September 6, 2005; and

WHEREAS, the Defined Benefit Plan and the Defined Contribution Plan are intended to meet the requirements of Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, as amended; and

WHEREAS, changes in the law since the Defined Contribution Plan was adopted require an amendment and restatement of the Defined Contribution Plan; and

WHEREAS, changes in the law since 1996 require an amendment and restatement of the Defined Benefit Plan; and

WHEREAS, the City historically funded its retiree medical obligations through the Defined Benefit Plan, but adopted a separate trust fund, (the "Retiree Medical Trust") for that purpose, effective October 1, 2004; and

WHEREAS, the City adopted the City of Wyoming Post Retirement Health Plan effective July 2, 2007 to provide retiree medical benefits to certain employees upon their retirement; and

WHEREAS, the provisions related to the Retiree Medical Trust are currently set forth in Article I of Chapter 59 of the Code; and

WHEREAS, the provisions related to the PEHP are currently set forth in Article II of Chapter 59 of the Code;

WHEREAS, the City has determined it makes sense to remove the provisions in the Defined Benefit Plan related to retiree medical obligations as part of the amendment and restatement of the Defined Benefit Plan and add them to the Retiree Medical Trust; and

WHEREAS, the current third party administrator for the PEHP is requesting changes to the PEHP to comply with its administrative rules; and

WHEREAS, the City has determined that it is more efficient to maintain a plan document setting forth the terms of the Defined Benefit Plan that is separate from and not incorporated into the Code of the City of Wyoming ("Code"); and

WHEREAS, the City has determined that it is more efficient to maintain a plan document setting forth the terms of the Defined Contribution Plan that is separate from and not incorporated into the Code; and

WHEREAS, the City has determined that it is more efficient to maintain a document setting forth the terms of the Retiree Medical Trust that is separate from and not incorporated into the Code; and

WHEREAS, the City has determined that it is more efficient to maintain a plan document setting forth the terms of the PEHP that is separate from and not incorporated into the Code; now therefore

BE IT RESOLVED that the attached City of Wyoming Defined Benefit Plan document be adopted; and

BE IT FURTHER RESOLVED that the City Manager is authorized and directed to sign the attached City of Wyoming Defined Benefit Plan document on behalf of the City; and

BE IT FURTHER RESOLVED that the attached City of Wyoming Defined Contribution Plan document be adopted; and

BE IT FURTHER RESOLVED that the City Manager is authorized and directed to sign the attached City of Wyoming Defined Contribution Plan document on behalf of the City; and

BE IT FURTHER RESOLVED that the attached City of Wyoming Retiree Medical Trust and Benefit Policy document be adopted; and

BE IT FURTHER RESOLVED that the City Manager is authorized and directed to sign the attached City of Wyoming Retiree Medical Trust and Benefit Policy document on behalf of the City; and

BE IT FURTHER RESOLVED that the attached City of Wyoming Post Employment Health Plan document be adopted; and

BE IT FURTHER RESOLVED that the City Manager is authorized and directed to sign the attached City of Wyoming Post Employment Health Plan document on behalf of the City; and

BE IT FURTHER RESOLVED that the City Manager is authorized and directed to:

- Sign any additional amendments that may be necessary to maintain the status of the Defined Benefit Plan or the Defined Contribution Plan as a qualified plan under the Internal Revenue Code;
- Sign any additional amendments to the Defined Benefit Plan, Defined Contribution Plan, Retiree Medical Trust or PEHP that are necessary to incorporate collectively bargained changes into the terms of those documents;
- Sign any additional amendments to the Defined Benefit Plan, Defined Contribution Plan, Retiree Medical Trust or PEHP that do not materially increase the cost to the City of maintaining those benefits; and
- To take such further steps and to perform such additional acts as may be necessary and proper to carry out the purposes of the Defined Benefit Plan, Defined Contribution Plan, Retiree Medical Trust or PEHP.

BE IT FURTHER RESOLVED, that this resolution shall have the same effective date as Ordinance 8-11.

Councilmember Bolt moved, seconded by Councilmember Ver Hulst, that the above Resolution be adopted.

I hereby certify that the above-entitled Resolution was adopted by the City Council for the City of Wyoming, Michigan, at a regular session held on the 18th day of July, 2011.

Heidi A. Isakson
Wyoming City Clerk

Resolution No. 23947

ORDINANCE NO. 8-11

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF WYOMING

THE CITY OF WYOMING ORDAINS that the following sections of Chapters 58 and 59 of the Code of the City of Wyoming ("Code") be amended as follows in order to reflect the fact that stand-alone documentation has been adopted for the City's retirement system and retiree health benefits. The changes set forth in this Ordinance shall be effective as of July 1, 2011.

Section 1: Section 58-96 of the Code is amended by adding the following:

Effective as of July 1, 2011, the terms of the plan shall be set forth in a separate document that is not part of the Code. This section 58-96 through section 58-323 shall be deemed obsolete as of July 1, 2011, and shall not govern the operation of the plan after June 30, 2011.

Section 2: Section 58-501 of the Code is amended by adding the following:

Effective as of July 1, 2011, the terms of the defined contribution plan shall be set forth in a separate document that is not part of the Code. This section 58-501 through section 58-710 shall be deemed obsolete as of July 1, 2011, and shall not govern the operation of the defined contribution plan after June 30, 2011.

Section 3: Section 59-1 of the Code is amended by adding the following:

Effective as of July 1, 2011, the terms of the trust fund and the terms and conditions for receiving retiree medical benefits shall be set forth in a separate document that is not part of the Code. This section 59-1 through section 59-8 shall be deemed obsolete as of July 1, 2011, and shall not govern the operation of the trust fund or the terms and conditions for receiving retiree medical benefits after June 30, 2011.

Section 4: Section 59-20 of the Code is amended by adding the following:

Effective as of July 1, 2011, the terms of the PEHP shall be set forth in a separate document that is not part of the Code. This section 59-20 through section 59-28 shall be deemed obsolete as of July 1, 2011, and shall not govern the operation of the PEHP after June 30, 2011.

Section 5: This Ordinance shall be in full force and effect on the 30th day of August, 2011.

I hereby certify that the above-entitled Ordinance was adopted by the City of Wyoming at a regular session of the City Council held on the 15th day of August, 2011.

Leanne Johnson
Wyoming Deputy City Clerk

Ordinance No. 8-11

Memorandum

TO: Mayor and City Council, City of Wyoming

FROM: Tim Smith, Secretary, City of Wyoming Retirement System

DATE: July 6, 2011

SUBJECT: Retirement Plan Amendments and Restatement

As you will note in the attached memos, Kim Oostindie, Jim Kohmescher and I and the Retirement System's attorney, Susan Sherman, have been working on updating the Retirement System's plans. The purpose of the update is to incorporate union contract changes and legal changes that have occurred over the last several years. While most of the major changes (the inclusion of the defined contribution plan and post employment health plan) had previously occurred, the inclusion of legal changes, updates for contract changes and clarification of various parts of the plan resulted in sufficient changes that the System's attorney recommended a complete restatement of all of the Plans. As we, along with the City's attorney, Jack Sluiter, struggled with how to position the restated plans in the City's Code of Ordinance, the System's attorney recommended that as an alternative, the restated plans should be adopted as *"stand alone"* plans and not incorporated into the ordinance.

The attached documents include updating the ordinances to the date of the restatement (July 1, 2011) and the restated plans effective July 1, 2011. These documents contain two changes from the information previously sent to the Retirement Board Trustees and unions – the dates have been changed to reflect the updates are through July 1, 2011 and in the defined benefit plan, references to the Emergency Communications Unit have been removed as the unit no longer exists.

Included in the documents are the following:

I. Resolution No. XX - Resolution Regarding Adoption of Amended and Restated Retirement and Health Plans. This resolution shall have the same effective date as Ordinance 8-11.
   A. Memo to Mayor and City Council
   B. Memo to Board of Trustees, City of Wyoming Retirement Plan
   C. Memorandum from Miller Johnson regarding changes
   D. Defined Benefit Plan
   E. Defined Contribution Plan
   F. Retiree Medical Trust and Benefit Policy
   G. Post Employment Health Plan

Finance Department 1155 28th Street S.W. P.O. Box 905 Wyoming, MI 49509-0905 Phone (616) 530-3170
E-mail: SmithT@wyomingmi.gov Fax (616) 249-3486

II. Ordinances

A. No. 6-11 An Ordinance to Amend the Code of the City of Wyoming (Chapter 58, defined Benefit Plan)

B. No. 7-11 An Ordinance to Amend the Code of the City of Wyoming (Chapter 58, Defined Contribution Plan)

C. No. 8-11 An Ordinance to Amend the Code of the City of Wyoming making Chapters 58 and 59 obsolete after June 30, 2011.

While I have not included copies of the documents showing editing changes, they are available if you desire to have a copy of them to use as part of your review.

If you have any questions regarding the enclosed documents, please let me know.

Finance Department 1155 28th Street S.W. P.O. Box 905 Wyoming, MI 49509-0905 Phone (616) 530-3170
E-mail: SmithT@wyomingmi.gov Fax (616) 249-3486

Memorandum

TO: Board of Trustees, City of Wyoming Retirement System

Cc: City of Wyoming Union Presidents

FROM: Tim Smith, Secretary, City of Wyoming Retirement System

DATE: June 7, 2011

SUBJECT: Retirement Plan Amendment and Restatement

Over the past several years, a team consisting of Jim Kohmescher, Director of Administrative Services, Kim Oostindie, Human Resources Supervisor, Susan Sherman, the Plan's benefit attorney, and I have been working on updating the pension ordinance/plans to agree with current union bargaining agreements and to comply with changes in the law. The attached documents represent the results of this project and the information that will be presented to Council in July, 2011.

As explained in the attached memorandum from Susan Sherman, we are also recommending that the City Council approve the changes as a separate Plan Document and remove the plans from the City code. The process by which this will be done is also explained in the memorandum.

As a Trustee, you have a fiduciary obligation of being familiar with the Plans. Therefore, I am providing you with a copy of the revisions that Council will be asked to approve. To assist you in reviewing the documents, I have organized them as follows:

I. Memorandum from Miller Johnson (Susan Sherman)
II. Defined Benefit Plan (Restated effective as of July 1, 2010)
III. An Ordinance to Amend the Code of the City of Wyoming (relating to the defined *benefit* plan pre July 1, 2010 changes bringing the Code up to June 30, 2010)
IV. Defined Contribution Plan (Restated effective as of July 1, 2010)
V. An Ordinance to Amend the Code of the City of Wyoming (relating to the defined *contribution* plan pre July 1, 2010 changes bringing the Code up to June 30, 2010)
VI. Retiree Medical Trust and Benefit Policy (Restated effective July 1, 2010)
VII. Post Employment Health Plan (Effective as of July 1, 2010)
VIII. An Ordinance to Amend the Code of the City of Wyoming (relating to the *retiree health plan and PEHP* pre July 1, 2010 changes bringing the Code up to June 30, 2010)
IX. Resolution Regarding Adoption of Amended and Restated Retirement and Retiree Health Plans

A working copy is available for review; however, do to the number of changes involved, I am not sending out copies of the working copy. If you would like to review, please let me know.

After reading the documents if you have any questions or comments, please let me know.

Finance Department 1155 28th Street S.W. P.O. Box 905 Wyoming, MI 49509-0905 Phone (616) 530-3170
E-mail: SmithT@wyomingmi.gov Fax (616) 249-3486

MILLER JOHNSON
Attorneys and Counselors

Calder Plaza Building
250 Monroe Avenue NW
Suite 800
P.O. Box 306
Grand Rapids, MI 49501-0306

616.831.1700
616.831.1701 fax
www.millerjohnson.com

MEMORANDUM

TO Tim Smith
Kim Oostindie
Jim Kohmescher

FROM Susan Sherman **DATE** May 11, 2011

SUBJECT Amended and Restated Benefit Plans

Four amended and restated benefit plan documents are attached to this memorandum. It is necessary to amend the City's retirement and retiree health plans at this time to comply with changes in the law, to reflect collectively bargained changes and to reflect the actual operation of these benefits.

The amendment and restatement process had highlighted the inefficiency of maintaining the documentation for these benefits in the City Code. As a result, it has been decided to remove these provisions from the Code and adopt "stand alone" plan documents for each benefit.

The City Council will still have to approve the adoption of the amended and restated documents, as well as any material amendments to the documents. But the City Manager will be able to approve the adoption of amendments made solely for legal compliance or to comply with negotiated changes that have been approved by the City Council. This will make the amendment process much more efficient and should reduce legal fees associated with

amending the plan. I have included a proposed Resolution and a proposed Ordinance for the City Council to approve these changes at the end of this packet.

DEFINED BENEFIT PLAN

Background

Articles III and IV of Chapter 58 of the City Code set forth the provisions of the City's Defined Benefit Plan. It is necessary to amend and restate the Defined Benefit Plan to comply with changes in the law since 1996. We are also taking this opportunity to standardize terminology between the Defined Benefit Plan and the Defined Contribution Plan.

The Defined Benefit Plan is being amended and restated as of July 1, 2011, the first day of the current plan year. Some of the required changes were effective before July 1, 2011. To avoid having retroactive effective dates in the amended and restated Defined Benefit Plan, I have also prepared a separate Ordinance that amends the current Defined Benefit Plan for those changes. That Ordinance is referred to as the "Compliance Ordinance" throughout this memorandum. Procedurally, the Compliance Ordinance should be adopted before the Resolution approving the adoption of the amended and restated Defined Benefit Plan and the Ordinance making the current Defined Benefit Plan provisions in the Code obsolete.

Amended and Restated Plan Document

Changes were made to the Defined Benefit Plan for one of five reasons: (1) to reflect the terms of the current collective bargaining agreements; (2) to take into account the existence of the Defined Contribution Plan; (3) to reflect the establishment of the retiree medical benefits trust; (4) to add or change provisions as required by law; and (5) to reflect the actual operation of the Defined Benefit Plan.

The following comments explain the changes that are being made to the Defined Benefit Plan and the reason(s) for each change. I have also attached a copy of the Defined Benefit Plan that has been marked to show the various changes.

1. Article 1 describes the history of the Plan. Language has been added to explain that the Defined Benefit Plan and Defined Contribution Plan are component parts of the City's overall retirement system. Section 1.3 also describes the organization of the Plan into generally applicable provisions and schedules for each benefit group.

2. Article 2 contains the definitions used in the Plan. A number of terms were updated and/or revised to promote the use of standard terminology in the Defined Benefit Plan and the Defined Contribution Plan (for example, the term "member" was replaced with the term "participant"). Here are some of the more important new or revised definitions:

- The names of the unions were revised to reflect the current name of each union.
- A new benefit group, the "administrative contract" benefit group was added. This group is comprised of full-time, non-union employees who have individual employment contracts with the City.
- The name of the police dispatchers group was changed to the police ECO group to reflect the change in the name of that union.[1]
- The terms "defined benefit plan" and "defined contribution plan" were added to describe the two portions of the City's retirement system. Generally, the term "defined benefit plan" replaces the term "plan."
- I revised the definition of the term "hour of service" to reflect the requirements of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). A sentence was also added to this definition stating that the City's payroll and other records will be used to determine a participant's hours of service.
- Definitions of the terms "period of qualified military service," "qualified military service," and "USERRA" were moved from Section 4.2 (formerly Section 58-99) to the definitions section.

[1] Even though the ECO group was transferred to the County at the end of 2010, we need to include provisions relating to that group to cover former members of that group who are entitled to a deferred vested benefit from the Plan.

- I added the term "City."
- The term "employer" is identified as the City, the 62A District Court and the Wyoming Housing Commission.
- The term "severance from employment" replaces the term "termination of employment." This is necessary to comply with IRS rules.
- The following defined terms are not used in the amended and restated Defined Benefit Plan and were deleted: code, highly compensated employee, member, plan, and vested former member.

3. The definition of the term "actuarially equivalent" has been updated to reflect changes in the interest rates used to calculate a lump sum payment required under the Pension Protection Act of 2006. (See also Section 1 of the Compliance Ordinance.)

4. The definition of the term "beneficiary" was simplified and more detail was added in Section 8.6 (formerly Section 58-103(f)), which describes a participant's beneficiary designation for the non-spouse death benefit. This change puts the relevant rules in one location for ease of administration.

5. The definition of the term "benefit group" was revised to include a statement that for purposes of determining an employee's benefit group, an employee is considered a member of a union if the employee is an actual member of that union or if the employee pays the service dues of the union.

6. The definitions of the police command, fire and administrative contract benefit groups were revised to indicate that those individuals who were appointed to the position of police chief, deputy police chief, fire chief and deputy fire chief before July 1, 2010 are part of the administrative contract group. But anyone appointed to those positions after July 1, 2010 will be part of the police command or fire benefit group if he/she was a member of those groups before being appointed to the chief or deputy chief position. This reflects how the individuals currently in those positions have been treated under the Defined Benefit Plan.

7. The last paragraph of the definition of benefit group was revised to remove the statement that a participant who was covered under more than one benefit group has his or her benefit calculated separately for each benefit group, because it was not consistent with actual plan operation. The entire benefit is calculated based on the benefit formula of the benefit group the participant was in on the date he or she terminates employment with the City.

8. The definition of "compensation" was revised to include differential payments and worker's compensation, and to specifically exclude amounts received for opting-out of City-provided health insurance. It was also updated to remove provisions that are no longer effective under the Internal Revenue Code.

9. The definition of the term "CPI" was moved to the applicable schedules. (Section 12 of the Compliance Ordinance updates the CPI for the police command group for changes effective in 2008.)

10. I revised the definitions of the term "employee" and "leased employee." The term employee was revised by removing the paragraph regarding leased employees. That paragraph was relocated to the definition of the term leased employee. This reflects IRS model language for these two definitions.

11. The definition of the term "hours of service" was revised to comply with the requirements of USERRA. This language was previously set forth in Section 58.99(b).

12. The definition of the term "normal retirement date" was revised to reference the DROP.

13. Sections 3.1 and 3.2 (formerly Section 58-98) describe the eligibility rules for participation in the Defined Benefit Plan. These rules were updated to exclude those employees who are not eligible to participate in the Defined Benefit Plan because they elected to transfer to the Defined Contribution Plan or they were hired after the date on which newly-hired employees in their benefit group participate in the Defined Contribution Plan.

14. For clarification, Section 3.3 states that if a participant in the Defined Benefit Plan transfers to another benefit group, he or she will continue to participate in the Defined Benefit Plan, regardless of whether he or she would be eligible to participate in the Defined Benefit Plan under the rules that apply to the new benefit group.

For example, assume a Defined Benefit Plan participant whose initial date of employment is July 1, 2007, transfers from the police nonsupervisory benefit group to the police command benefit group on September 1, 2009. Although his initial date of hire was after the date on which newly-hired members of the police command benefit group participate in the Defined Contribution Plan (February 20, 2006), because he was a participant in the Defined Benefit Plan he will continue as a participant in the Defined Benefit Plan.

15. Section 3.5 provides that re-hired employees who previously participated in the Defined Benefit Plan will again participate in the Defined Benefit Plan on their date of re-hire if they had a vested benefit under the Defined Benefit Plan. Otherwise, they participate in the Defined Contribution Plan. This reflects how the plans have been administered.

16. Article 4 (formerly Section 58-99) contains the rules for earning credited service. I added a new Section 4.4(a)(6)(c) to reflect the operational rule of recognizing service with a prior employer that has adopted the Reciprocal Retirement Act.

17. Section 4.2 addresses credit for military service. This language was revised to more correctly incorporate USERRA's requirements. The City's rules regarding crediting service during a military leave are more generous than what is required under USERRA. For compliance purposes, I added provisions indicating that the Defined Benefit Plan will comply with USERRA (as a minimum) for leaves protected by USERRA.

18. Section 4.3, which addresses re-crediting of prior service after reemployment, was expanded to address the situation where a rehired employee received a distribution of his accumulated employee contributions. As revised, an individual in that situation does not have a vested benefit under the Defined Benefit Plan and does not have the right to repay those contributions and reinstate the benefit. This means the individual will participate in the Defined Contribution Plan.

19. Articles 5, 6 and 9 describe the normal, early, and deferred vested benefit provisions. The following changes were made in those sections:

- The sections describing when benefit payments start were revised to provide that benefits are paid no later than the last working day of each month. This reflects the actual operation of the Defined Benefit Plan. (See, e.g., Section 5.3.)

- Section 6.2 (formerly Section 58-101(b)) was revised to indicate that a participant who is eligible for and receives an early retirement benefit may be subject to an early reduction factor. The actual reduction factors were moved to the schedules of the benefit groups to which they relate.

- Language was added to each section to clarify that payment begins after the participant makes an application for benefits and the application is approved. No retroactive payments are made. Again, this is consistent with how the Defined Benefit Plan has been administered.

20. To account for the special rules that apply to the police command, police nonsupervisory and fire benefit groups with respect to a duty disability, Section 7.6 states that the schedule for a benefit group may contain different rules for duty disability pensions.

21. Article 8 (formerly Section 58-103) describes the death benefits available under the Plan. The Heroes Earnings Assistance and Relief Tax Act of 2008 (the HEART Act) requires that the beneficiaries of a participant who dies while performing military service that is protected by USERRA's reemployment provisions <u>must</u> receive the same death benefits that would have been provided if the participant had been actively employed by the City on the date of his or her death. Section 8.1(c) has been revised to reflect this requirement. (See also Sections 2 and 3 of the Compliance Ordinance.)

22. The only other substantive change to Article 8 is in Section 8.7, which reflects a rule in the Pension Protection Act of 2006 that allows a non-spouse beneficiary to elect a direct rollover of a death benefit to an IRA. (See Section 4 of the Compliance Ordinance.)

23. Article 10 describes the forms in which a participant's benefit may be paid. Section 10.1 (formerly Section 58-105(a)) incorporates another new rule from the Pension Protection Act of 2006. This rule requires that participants who request a distribution before the later of normal retirement age or age 62 receive a written description of the right to defer the distribution to normal retirement age and the consequences of failing to defer the distribution. This requirement was effective as of July 1, 2007. (See Section 5 of the Compliance Ordinance.)

24. Section 10.2 describes the automatic form of payment. The automatic form of payment for a married participant has been changed from the single life annuity to the joint and 100% survivor annuity with the participant's spouse. This follows the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA").

25. Sections 10.3(d) and (e) were revised to reflect that the "pop-up" after the death of a participant's spouse is effective retroactive to the spouse's date of death.

26. The provision requiring the cash out of small benefits under $1,000 (former Section 58-105(d)) has been deleted because it will not apply to any participant.

27. Section 10.4(a) (formerly Section 58-105(e)) was revised to increase the time for providing the special tax notice required for an eligible rollover distribution from 90 days to 180 days before the distribution. This is also a provision from the Pension Protection Act of 2006 that was effective as of July 1, 2007. (See Section 6 of the Compliance Ordinance.)

28. The definition of "eligible retirement plan" in Section 10.4(d)(3) was revised to include a Roth IRA as an eligible retirement plan as of January 1, 2008. This is another provision from the Pension Protection Act of 2006. (See Section 7 of the Compliance Ordinance.)

29. The rules regarding required minimum distributions upon attainment of age 70½ were moved to their own section (new Section 10.5) and updated for revised IRS regulations.

30. The provisions in Section 11.2 (formerly Section 58-106(b)) relating to the limits on annual pension benefits under Section 415 of the Internal Revenue Code were expanded to include the rules of Section 415, rather than incorporating the rules by reference. This update reflects changes in regulations under Section 415 that were effective as of the first day of the 2008 plan year. (See Section 8 of the Compliance Ordinance.)

31. Section 11.3 describes the general rule for coordinating benefits with workers' compensation payments. Section 58-106(c) currently states that benefits, as a general rule, will not be coordinated. However, the schedules for each benefit group include provisions regarding coordination. Accordingly, I revised this section to indicate that benefits are coordinated as provided in the schedule that applies to the participant.

32. Article 12 (formerly Section 58-107) describes the accumulated employee contributions. Section 12.1 (formerly Section 58-107(a)) has been drafted in a generic manner and refers to the applicable schedules for those benefit groups that make employee contributions and the amount of the required contribution. Each applicable schedule then refers to the required contribution under the collective bargaining agreement. This eliminates the need to amend the Plan if the contribution amount changes. (See Section 9 of the Compliance Ordinance, which updates the ordinance to reflect the increased contribution rate that applied to participants in the police nonsupervisory benefit group as of September 5, 2007.)

33. Former Section 58-108, which addressed retiree medical coverage, has been deleted.

34. Article 14 (formerly Section 58-110) describes the administration of the Defined Benefit Plan. I added several new sections to these rules:

- Section 14.5 specifically authorizes the Board of Trustees to delegate routine matters with limited discretionary authority to the City and/or employees of the City. This will specifically allow things such as approval of a routine application for normal retirement without the involvement of the Board of Trustees.

- Related to this, Section 14.6 provides that the City will indemnify employees for any claims arising out of their performance of administrative duties related to the Defined Benefit Plan.

- For clarity, the subsection regarding investment of Defined Benefit Plan assets was broken into two sections, with the provisions relating to the standard of care to be used by the Board of Trustees now in a separate section.

- Section 14.9, "Employment of Agents by Board of Trustees," has also been added. This section specifically authorizes the Board of Trustees to hire experts and/or legal counsel.

35. Section 16.4, which is the spendthrift provision, was revised to reflect that under state law, a participant's pension benefits can also be forfeited under the State Correctional Facility Reimbursement Act and the Public Employee Retirement Benefits Forfeiture Act. I've attached copies of both of those Acts for your reference.

36. Article 17 (formerly Section 58-113) has been expanded to include procedures for winding up the Plan if the City were to terminate it.

37. New Section 18.8 was added to address the situation where a change in the Plan is collectively bargained but the Plan has not yet been amended to reflect that change.

38. Article 19 describes the DROP benefit. These provisions have been reorganized for clarity. I also deleted the provisions relating to it being a "test" benefit. Section 19.2 reflects the fact that the most recent collective bargaining agreement with the police command group requires a DROP participant to terminate employment within three years of entering the DROP (instead of five years).

39. The provisions regarding retiree medical coverage were removed from the schedules for the various benefit groups.

40. Each schedule states that members of each benefit group initially hired after the date on which the Defined Contribution Plan became available to that benefit group are not eligible to participate in the Defined Benefit Plan.

41. Each schedule describes the benefit formula/pension multiplier that applies to each benefit group. As drafted, the schedules contain the currently effective multipliers, but refer back to either Article IV or Article II of Chapter 58 of the City Code for multipliers that were previously in effect.

(See also Section 11 of the Compliance Ordinance, which updates the multiplier for the police command group as of September 1, 2008, Section 14, which updates the multiplier for the police nonsupervisory group as of September 5, 2007, and Section 16, which updates the multiplier for the police ECO group as of January 1, 1998.)

42. Each schedule now indicates whether members of the benefit group are eligible to participate in the DROP. This is consistent with how other provisions are handled (for example, for those benefit groups that do not have an annual pension adjustment, the schedule indicates that there is no annual adjustment).

43. The schedule for the administrative and supervisory group was revised to add the reduction for early retirement for participants with less than 25 years of service who became members of the benefit group after July 1, 2007. (See also Section 10 of the Compliance Ordinance which adds this provision retroactive to July 1, 2007.

44. Special rules for a duty disability were added to the schedules for the police command, police nonsupervisory and fire benefit groups. Provisions were added to the other schedules indicating that no special rules apply to a duty disability situation. (Sections 13, 15 and 19 of the Compliance Ordinance retroactively add these provisions to the current plan.)

45. The compulsory retirement provisions for the general and administrative and supervisory groups were revised to indicate they apply "to the extent permitted by law." This is because under the ADEA, mandatory retirement is generally only permitted for employees that fall under the ADEA's firefighter and law enforcement officer exception.

46. The schedule for the fire benefit group indicates the normal retirement age is 50. (See also Section 17 of the Compliance Ordinance, which adds the reduction in the normal retirement age for members of the fire benefit group as of September 5, 2007.)

47. Section 18 of the Compliance Ordinance contains a provision that is not included in the amended and restated Defined Benefit Plan. Section 18 revises the schedule for the fire benefit group to add the special increased benefit formula that applies to participants who died between July 1, 2008 and January 17, 2010. This was not included in the amended and restated Defined Benefit Plan because it "expired" before the effective date of the amended and restated plan.

DEFINED CONTRIBUTION PLAN

Background

The City adopted the Defined Contribution Plan as of September 6, 2005, for the purpose of providing retirement benefits to employees hired after that date. The terms and conditions of the Defined Contribution Plan are currently in Articles V and VI of Chapter 58 of the City Code. It is necessary to amend the Defined Contribution Plan at this time to comply with changes in the law since it was adopted, and to reflect the provisions related to the Defined Contribution Plan in the most recently negotiated collective bargaining agreements. We are also taking this opportunity to standardize terminology between the Defined Benefit Plan and the Defined Contribution Plan.

The amended and restated Defined Contribution Plan is effective as of July 1, 2011, the first day of the current plan year. Some of the required changes were effective before July 1, 2011. To avoid having retroactive effective dates in the amended and restated Defined Contribution Plan, I have also prepared a separate Ordinance that amends the current Defined Contribution Plan for those changes. That Ordinance is referred to as the "Compliance Ordinance" throughout this memorandum. Procedurally, the Compliance Ordinance should be adopted before the Resolution approving the adoption of the amended and restated Defined

Contribution Plan and the Ordinance making the current Defined Contribution Plan provisions in the Code obsolete.

Amended and Restated Plan Document

Changes were made to the Defined Contribution Plan for one of three reasons: (1) to reflect the terms of the current collective bargaining agreements; (2) to reflect the actual operation of the Defined Contribution Plan; and (3) to add or change provisions as required by law.

The following comments explain the changes that are being made to the Defined Contribution Plan and the reason(s) for each change. I have also attached a copy of the Defined Contribution Plan that has been marked to show the various changes.

1. The current version of the Defined Contribution Plan contains provisions relating to employee voluntary after-tax contributions to the Plan. However, because no employee has ever made after-tax contributions to the Plan and the current collective bargaining agreements do not provide for employee after-tax contributions, all provisions relating to those contributions have been removed from the Plan.

2. Much of the administration of the Defined Contribution Plan is handled by Nationwide Retirement Services instead of the board of trustees. To more accurately reflect that division of responsibilities, the term "plan administrator" has replaced the term "board of trustees" in many places throughout the document. The board of trustees is designated as the plan administrator, and has the ultimate discretionary authority with respect to the administration of the Defined Contribution Plan. But the document also allows the board of trustees to delegate its authority as plan administrator to a third party, such as Nationwide.

3. Article 1 describes the history of the Plan. Language has been added to explain that the Defined Benefit Plan and Defined Contribution Plan are component parts of the City's overall retirement system. Section 1.3 also describes the organization of the Plan into generally applicable provisions and schedules for each benefit group.

4. As a result of the process of standardizing the terms used in the Defined Benefit Plan and the Defined Contribution Plan, a significant number of changes were made to the definitions in Article 2 (formerly Section 58-502). Here are some of the more important new or revised definitions:

- The definition of "beneficiary" was revised. It is now identical to the definition of the term beneficiary in the Defined Benefit Plan.

It was also moved to the definitions section to mirror the organizational format of the Defined Benefit Plan.

- The name of the police dispatchers group was changed to the police ECO group to reflect the change in the name of that union.[2]

- The definition of the term "benefit group" was also revised to clarify the benefit groups that cover the police and fire chief and deputy chief.

- The terms "defined benefit plan" and "defined contribution plan" were added to describe the two portions of the retirement system.

- I added the term "City."

- The term "employer" is defined as the City, the 62A District Court and the Wyoming Housing Commission.

- As in the Defined Benefit Plan, the last sentence of the definition of the term "benefit group" was revised to clarify that an employee who pays the service fees of a union is considered a member of that union's benefit group for purposes of the Plan.

- The definition of "compensation" was revised to exclude amounts received for opting-out of City-provided health insurance. This is consistent with how the Plan is actually administered.

- The definition of the term "hour of service" was revised to mirror the definition of that term in the Defined Benefit Plan (as revised).

- The term "severance from employment" replaces the term "termination of employment." This is necessary to comply with IRS rules.

- The following definitions are not used in the amended and restated Plan and were deleted: investment manager, related employer termination pay and uniformed services.

5. The definition of "eligible retirement plan" in Section 2.21(e) was revised to include a Roth IRA as an eligible retirement plan as of January 1, 2008. This is a required provision under the Pension Protection Act of 2006. (See Section 1 of the Compliance Ordinance.)

[2] Because the ECO group was transferred to the County at the end of 2010, the document does not include provisions relating to future contributions for this group. References to this group have been included to reflect their former eligibility and to cover former employee members of this group who still have an account balance under the Plan.

6. I revised the definitions of the term "employee" and "leased employee." The term employee was revised by removing the paragraph regarding leased employees. That paragraph was relocated to the definition of the term leased employee. This reflects IRS model language for these two definitions.

7. Section 3.1 describes those employees who are eligible to participate in the Defined Contribution Plan. Because the ability to transfer to the Defined Contribution Plan from the Defined Benefit Plan has been eliminated for most benefit groups, the provisions related to such transfers that were in this section have been moved to the schedules of the benefit groups that still have that option available.

8. Section 3.4 tracks language in several of the collective bargaining agreements. This provision states that a participant in the Defined Contribution Plan who transfers to another benefit group will continue to participate in the Defined Contribution Plan.

9. Section 4.2 (formerly Section 58-504(b)) was revised by adding a new paragraph that applies to participants receiving workers' compensation benefits and a "differential payment." This paragraph states that the City continues to make contributions for those participants as if they were actively working. This language reflects how the Plan has historically been administered.

10. Section 4.4 (formerly Section 58-506) was revised to comply with IRS regulations under Section 415 of the Internal Revenue Code that became effective in 2007 and the Heroes Earnings Assistance and Relief Tax Act of 2008 (the HEART Act), which became effective in 2009. First, former subsection (b), which provided for a suspense account for any excess annual additions has been deleted. Second, the HEART Act requires that any differential wage payments the City makes to an employee who is absent to perform military service be included as compensation for purposes of the Section 415 limits on annual additions. (See also Sections 2 and 3 of the Compliance Ordinance.)

11. The last sentence of Section 5.2(a) incorporates a required provision under the HEART Act. Effective as of January 1, 2007, a participant who dies while performing military service that is protected by USERRA is treated as fully vested in his account. (See also Section 4 of the Compliance Ordinance.)

12. The provisions regarding use of forfeitures and restoration of forfeitures were moved to Section 5.2 (they were previously in what is now Article 6, which describes how participants' accounts are invested). This puts all of the vesting provisions in one location, which should make administration easier.

13. Section 7.1(a) (formerly Section 58-515) incorporates a new rule under the Pension Protection Act of 2006. This rule requires that participants who request a distribution before attaining the later of normal retirement age or age 62 receive a written description of the right to defer the distribution and the consequences of failing to defer the distribution. This requirement was effective as of July 1, 2007. (See Section 5 of the Compliance Ordinance.)

14. The provision describing the excise tax on distributions from the Plan before age 59½ was removed because it is not a legally required provision and merely restated the applicable tax rules.

15. Section 7.4(d) indicates that a non-spouse beneficiary can elect a direct rollover to an individual retirement account of any death benefit payable to the beneficiary. This is another required provision under the Pension Protection Act of 2006. (See Section 7 of the Compliance Ordinance.)

16. Section 7.6 (formerly Section 58-517(f)) was revised to increase the time for providing the special tax notice required for an eligible rollover distribution from 90 days to 180 days before the distribution. This is also a provision from the Pension Protection Act of 2006. It was effective as of July 1, 2007. (See Section 8 of the Compliance Ordinance.)

17. Section 7.8, which provides a mechanism for dealing with lost participants and beneficiaries, has been updated to provide more flexibility in administration.

18. The provision permitting a participant to make an in-service withdrawal from the Plan after attainment of normal retirement age (formerly Section 58-516) was deleted. That provision had been included in error and did not reflect the terms of any applicable collective bargaining agreement.

19. Section 9 of the Compliance Ordinance reflects the fact that required minimum distributions at age 70½ were suspended for the 2009 calendar year under the Workers Employers and Retirees Assistance Act of 2008. This is unlikely to affect any participants in the Plan.

20. Article 8 contains the provisions relating the trust that holds the Plan's assets. These provisions were previously in Section 58-517. No substantive changes were made to these provisions.

21. I added two new sections in Article 9, which describes the administration of the Plan:

- In addition to authorizing delegation of authority to a third party, such as Nationwide, Section 9.2 authorizes the board of trustees to delegate routine matters with limited discretionary authority to the City and/or employees of the City. This will specifically allow things such as approval of a routine application for a distribution without the involvement of the board of trustees.

- Related to this, Section 9.3 provides that the City will indemnify employees for any claims arising out of their performance of administrative duties related to the Defined Contribution Plan.

Identical provisions were also added to the Defined Benefit Plan.

22. Section 10.3, which is the spendthrift provision, was revised to reflect that under state law a participant's pension benefits can also be forfeited under the State Correctional Facility Reimbursement Act and the Public Employee Retirement Benefits Forfeiture Act. Again, identical provisions were added to the Defined Benefit Plan.

23. Section 12.6 was added to address the situation where a change in the Plan is collectively bargained but the Plan has not yet been amended to reflect that change.

24. Consistent with the currently effective collective bargaining agreements, the schedules were changed to reflect that all benefit groups except those in the administrative and supervisory group and the ECO group are no longer eligible to elect to transfer from the Defined Benefit Plan. The administrative and supervisory group's schedule reflects that transfers will be permitted through the date specified in its collective bargaining agreement. Members of the ECO group were permitted to transfer through the end of 2010.

25. Section 10 of the Compliance Ordinance updates the current schedules to reflect collectively bargained changes since the Defined Contribution Plan was adopted that have effective dates prior to July 1, 2011. This eliminates retroactive effective dates in the new Plan document.

RETIREE MEDICAL COVERAGE DOCUMENTATION

Background

Chapter 59 of the City Code sets forth the manner in which the City will fund its current retiree medical obligations. In 2004 the City established a trust fund to hold money set aside to meet those obligations. Before that time, these benefits were funded through the City's Retirement System, and Chapter 58 of the City Code described the general eligibility rules for retiree medical benefits as well as the amount the City would pay for the coverage.[3]

Article II was added to Chapter 59 in 2007 to describe the provisions relating to the Post Employment Health Plan ("PEHP") the City established to fund retiree medical benefits for newly-hired employees. It is necessary to revise Article I to reflect changes in the Defined

[3] It was necessary to change the funding mechanism for the retiree medical coverage to comply with IRS rules governing qualified retirement plans.

Benefit Plan. It is necessary to revise Article II to make changes requested by Nationwide, which provides the investment funds for the PEHP and administers the PEHP.

The attached "City of Wyoming Retiree Medical Trust and Benefit Policy" document replaces Article I of Chapter 59. It also incorporates provisions in Chapter 58 that relate to the retiree medical benefit. The attached "City of Wyoming Post Employment Health Plan" replaces Article II of Chapter 59.

To assist in your review of these documents, I have also attached copies of the documents that have been marked to show the substantive changes between the current ordinance provisions and the new documents. The schedules for the Retiree Medical Trust and Benefit Policy show the changes from the retiree medical provisions in the schedules to the Defined Benefit Plan.

Retiree Medical Trust and Benefit Policy

The following comments may be helpful as you review this document:

1. The document is generally effective as of July 1, 2011, the start of the current plan year.

2. A number of new definitions were added to Article 2 (formerly Section 59-2) as a result of the addition of the schedules related to eligibility for City contributions for retiree medical insurance. Other defined terms were revised to specifically reference the corresponding definition in the Defined Benefit Plan. This will eliminate the need to amend both documents when a definition changes. It will also reduce the potential for conflict between the documents by making sure that the terms are consistently defined.

3. Article 3 (formerly Section 59-3) describes the trust provisions.

4. Article 4 provides a general description of the coverage to be made available to eligible retirees and their eligible dependents. Article 5 sets forth the eligibility rules for retiree medical coverage. Some of the provisions in these two articles were previously set forth in the Defined Benefit Plan portion of Chapter 58 of the City Code.

5. Section 4.4 describes the amount the City will pay toward medical coverage for an eligible retiree and his/her eligible dependents by referring to the schedules at the end of the document. Each schedule sets forth the amount of the City's

contribution for that benefit group. (This information was previously part of the Defined Benefit Plan schedules.) The schedules refer back to Articles II and IV of Chapter 58 for historical information, but include dates and amounts in effect before July 1, 2011, where that information was not previously incorporated into the Defined Benefit Plan.

6. The second paragraph of Section 4.4(a) is designed to address what happens if a former dispatcher is re-hired by the City. (It could also apply, for example, if a former member of the nonsupervisory police benefit group is-rehired into the police command group.) This paragraph provides that the amount the City will pay for retiree medical coverage for an individual who has been a member of two benefit groups and his/her eligible dependents is based on the individual's most recent benefit group. This follows the rule for determining the pension multiplier under the Defined Benefit Plan.

7. Section 4.4(c) sets forth the current rule that the City will pay 100% of the cost of retiree medical coverage for a duty disability retiree and his/her eligible dependents until the duty disability pension converts to a normal retirement benefit (upon the retiree's attainment of normal retirement age).

8. Section 5.2 is a new rule designed to recognize the existence of the Defined Contribution Plan. Under this rule, retirees who participated in the Defined Contribution Plan will be eligible for retiree medical coverage on the date they would have been eligible for retiree medical coverage if they were participants in the Defined Benefit Plan.

9. Section 5.3 contains the eligibility rules for a retiree's spouse. The changes in this section generally reflect the existence of the Defined Contribution Plan.

10. Section 5.3(b) clarifies that for a retiree who became a DROP participant after December 31 2010, a spouse is eligible for retiree medical coverage only if the spouse and retiree were married on the retiree's DROP entry date. For those retirees who entered the DROP before that date, the retiree's spouse is eligible for retiree medical coverage if the retiree and spouse were married on the date the retiree left the City.

11. To address the issue of special enrollment rights for newly acquired spouses and dependent children, a sentence was added to Sections 5.3 and 5.4 indicating that newly acquired dependents will be eligible to enroll in the retiree medical coverage to the extent necessary to comply with HIPAA.

12. Sections 5.5 and 5.6 are new. These sections set forth the manner in which the City has historically made retiree medical coverage available to the surviving spouse and dependent children of a deceased employee or former employee. Under these rules, the surviving spouse and dependent children are eligible for retiree medical coverage (and for City contributions to retiree medical coverage for non-PEHP participants) if the employee or former employee had satisfied the service requirement to receive retiree medical coverage before his/her death and before terminating employment with the City.

13. Section 5.8, which addresses retirees who are eligible for other medical coverage, is a provision that is currently in the Defined Benefit Plan.

14. Each schedule states that the City will not pay any portion of the cost of retiree medical coverage for a retiree who participated in the PEHP. Participants in the PEHP are eligible to enroll in the retiree medical coverage, but must pay 100% of the cost of that coverage.

15. Each schedule lists the amount the City will pay for an eligible retiree's medical coverage.

16. The schedules for all of the benefit groups except the administrative and supervisory group and the police ECO group also include language incorporating the rule that employees whose most recent date of hire is on or after the specified date for his or her benefit group, must have 10 years of service to qualify for City contributions for retiree medical coverage, and that as of age 60, the amount the City pays for the retiree medical coverage is equal to 24% of the cost plus another 4% for each year of service above 10 years of service the retiree earned with the City.

For this purpose, service is calculated in the same manner as a year of credited service is calculated under the Defined Benefit Plan. Because the rule is triggered by the retiree's most recent date of hire, a former employee who is rehired after the effective date for this requirement for his benefit group will have to complete ten years of service to be eligible for City contributions for retiree medical coverage.

17. The eligibility rules for City contributions for members of the police ECO group are slightly different than the rules for the other benefit groups, reflecting a difference in the terms of the collective bargaining agreements. For members of the police ECO group, the rule described in the paragraph 16 above is effective for employees who retire on and after July 1, 2004, regardless of their date of hire.

18. Administrative and supervisory group members must complete five years of service to receive the full cost of coverage for the entire period in which they are eligible for retiree medical coverage.

PEHP Document

1. Section 1.3 indicates that a retiree who participates in the PEHP is eligible to enroll in retiree medical coverage through the City, but that the City will not pay any portion of the cost of that coverage.

2. Many of the definitions were replaced with cross references to the identical definition in the Defined Contribution Plan. This is to ensure consistency among the documents and to reduce the number of amendments required if a definition is modified.

3. The definition of the term "separate PEHP documentation" was added to reflect that the separate document prepared by Nationwide governs the terms and conditions under which benefits are paid from the PEHP.

4. Sections 4.1, 4.2 and 4.3 (formerly part of Section 59-23) were revised to address Nationwide's refusal to administer the PEHP if the City gave employees an irrevocable election to receive City contributions toward the cost of retiree medical coverage or to participate in the PEHP. The following sections are designed to correspond with the following employees who actually elected to participate in the PEHP:

- Section 4.1(b) corresponds to Nancy Bazan;
- Section 4.1(c) corresponds to Ken Westrate;
- Section 4.2(b) corresponds to Jonathon Durrell; and
- Section 4.3(b) corresponds to Joshua Howell and Mark Perkins.

The idea is to describe those employees by classification or other objective criteria so the PEHP describes only those employees who elected to make the transfer.

5. Section 5.1 describes the City's contributions to the PEHP on behalf of participants. To prevent having to amend the document each time a collective bargaining agreement is changed, Section 5.1 provides the amount to be contributed for each benefit group is the amount stated in the applicable collective bargaining agreement or in the individual's employment contract.

6. The PEHP now provides for immediate vesting in PEHP contributions. This is primarily because Nationwide's recordkeeping platform does not support application of a vesting schedule to contributions, and the City's administrative burden of administering the vesting schedule significantly outweighed the benefit of having the vesting schedule.

7. The elimination of the vesting schedule allowed me to eliminate references to "sub-plan I" and "sub-plan II," which greatly reduced the complexity of the document.

8. Changes in Article 7 (formerly Section 59-28) were made at the request of Nationwide. These changes still give the City the authority to terminate contributions to the PEHP, but clarify that any contributions previously made to the PEHP will remain in the PEHP, and will be distributed to the participants by Nationwide for qualified expenses until the funds are exhausted.

BY-LAWS

OF THE

COMMUNITY ENRICHMENT COMMISSION

OF THE

CITY OF WYOMING, MICHIGAN

ARTICLE I - NAME

The name of the organization is the Community Enrichment Commission.

ARTICLE II - PURPOSE

The purpose of the Community Enrichment Commission is to promote and present cultural events for the enrichment and enjoyment of the residents of the City of Wyoming.

ARTICLE III – POWERS AND DUTIES

Section 1. The Commission may request information and reports from City staff, through the City Manager, which may be deemed necessary to carry out the purposes of the organization.

Section 2. The Commission may make recommendations to City Council to further the purposes of the organization.

Section 3. The Commission may incorporate as a non-profit corporation in order to receive and expend donated monies to further the purposes of the organization.

Section 4. The Commission may enter into contracts, within the constraints of its approved budget and available funding, to further the purposes of the organization.

ARTICLE IV – FISCAL YEAR

Section 1. The fiscal year of the Community Enrichment Commission shall begin on July 1 each year and end on June 30 of the following calendar year.

Section 2. The Chairman of the Community Enrichment Commission shall submit an annual report of organization's activities to the City Council for the prior fiscal year no later than September 30 each year.

Section 3. A budget for the following fiscal year shall be submitted to the Wyoming City Manager by March 31 of each year.

ARTICLE V- MEMBERSHIP

Section 1. The member of the Commission shall consist of registered electors of the City of Wyoming appointed by the City Council.

Section 2. The members of the Commission shall constitute the Board of Directors of the Community Enrichment Commission.

Section 3. The number of members shall be as described in the Code of Ordinances.

Section 4. Members shall take an Oath of Office, administered by the City Clerk.

Section 5. A designated member of the City Council shall be invited to attend all meetings and shall act as a liaison between the Board and the Council.

Section 6. The Library Director of the Wyoming Branch of the Kent District Library may be a member, ex officio.

ARTICLE VI- COMMITTEES

Section 1. The Commission may form committees to operate consistent with the purposes of and under the authority of the Commission.

Section 2. The Commission may appoint the chairperson for each committee by majority vote of those present at any regular meeting.

Section 3. The chairperson of each committee is responsible for all communications necessary to perform their specific task.

Section 4. All monies requested by such committees must be reviewed and approved by the Commission prior to allocation and accounted for within a pre-designated period of time.

ARTICLE VII – OFFICERS

Section 1. Election of officers shall be held by members of the Commission at the first regular meeting of each fiscal year by a majority of those members present.

Section 2. The officers of the Commission shall consist of a Chairman, Vice-Chairman, Secretary, Treasurer and such other officers as needed. The officers shall hold office for one (1) year or until their successors are appointed and qualified.

Section 3. The Chairman shall preside over all meetings of the Commission. The Chairman shall develop and present the agenda for all meetings. The Chairman shall sign all contracts which have been approved by the Commission.

Section 4. The Vice-Chairman shall perform those duties and exercise those powers of the Chairman during the absence or disability of the Chairman.

Section 5. The Secretary shall be responsible for all official communications of the Commission, shall give all notices as required in the By-Laws of the Commission and shall perform such other duties as may be designated by the Commission. The secretary shall be responsible for recording all proceedings of the meetings of the Commission and of the Executive Committee, if one is created, and shall provide minutes of meetings to all members.

Section 6. The Treasurer shall have custody of all Commission funds and securities and shall keep the accounts of the Commission. A full and accurate account of all receipts, disbursements, and deposits of all monies, securities and other valuable effects shall be kept by the Treasurer. The Treasurer shall prepare and present to the Commission an account of all financial transactions and the financial condition of the Commission. An income statement and balance sheet shall be submitted to the Chairman at least one week prior to the Commission's submission of the annual report to the Wyoming City Council. If required by the Commission, the Treasurer shall deliver to the Chairman and keep in force a bond in an amount satisfactory to the Commission and approved by the City Manager. In case of the Treasurer's death, resignation or removal from office, all books, papers, vouchers, money and property of whatever kind belonging to the Commission that is in his/her possession, or under his/her control shall be returned to the Commission. The books and records of the Treasurer shall be audited by a

qualified person appointed by the Finance Director/Comptroller of the City of Wyoming annually at the close of the fiscal year, June 30, or at any time the office of the Treasurer changes hands, or the Finance Director of the City of Wyoming deems necessary.

Section 7. Any officer of the Commission may be removed by a majority of the members of the Commission.

ARTICLE VIII – MEETINGS

Section 1. Regular meetings of the Commission shall be held monthly, at a date and time established by resolution of the City Council, and in compliance with the Open Meetings Act. Meetings shall be held at the Wyoming City Hal, 1155 28th Street SW, Wyoming, Michigan.

Section 2. Any member who is not able to attend a regular or special meeting shall notify the Chair or Secretary. The absence may be excused by vote of the members present, and such excuse shall be placed in the minutes. If any member misses four (4) consecutive monthly meetings or 25% of such meetings in any fiscal year without such absences being excused by the members, that member's office shall be deemed as vacated. Any member being terminated shall be advised of their termination by letter.

Section 3. The Commission may adopt rules of procedure for the conduct of its meetings.

Section 4. The Commission may appoint an executive committee which shall consist of the officers of the commission. The Executive Committee shall have and exercise authority of the Commission between meetings.

Section 5. A quorum shall consist of a majority of the members of the Commission.

Section 6. Members of the Commission shall receive no compensation, other than the reimbursement of reasonable expenses as approved by the Commission.

ARTICLE IX – EXECUTION OF INSTRUMENTS

Section 1. All checks, drafts and orders for payment of monies on accounts of the Commission shall be countersigned by any two officers of those designated by the Commission from time to time. A financial institution holding any Commission funds or assets shall maintain a record bearing the signatures of those authorized to sign checks.

Section 2. When the execution of any contract, conveyance, or other instrument has been authorized without specifying which officer is responsible the Chairman, Vice-Chairman or Secretary may execute the same in the name and on behalf of the Commission.

ARTICLE X - AMENDMENT OF THE BY-LAWS

The By-laws of the Commission may be amended by the City Council of the City of Wyoming. The Commission may make recommendations to the City Council concerning any amendments.

Adopted by the Community Enrichment Commission on October 18, 2011
Date

Brandon Simon
Chairman

Secretary

Adopted by the City Council of the City of Wyoming on December 5, 2011
Date

Heidi A. Isakson
Heidi A. Isakson, City Clerk

Ordinance: Division 2

(4) Appointed members of the Commission may not be compensated for services to the commission. (CURRENT)

(4) Appointed members of the Commission shall not receive compensation for serving on the Community Enrichment Commission Board of Directors. The Commission may enter into contracts with any individual the Commission deems necessary not excluding members of the Commission. (*The second sentence may not even be required and could be omitted) (PROPOSED)

Ordinance: Sec. 2-423

Currently membership numbers are "not less than 5 and not more than 9 members"

Due to enabling more membership needed for our group, we'd like to increase the maximum to 11. "not less than 5 and not more than 11 members" (PROPOSED)

By-laws:

Article VIII – Section 6.

Members of the Commission shall receive no compensation, other than reimbursement of reasonable expense as approved by the Commission. (CURRENT)

Members of the Commission shall receive no compensation as a result of their appointed membership to the Community Enrichment Commission. (PROPOSED)

Article III - Section 4

The Commission may enter into contracts, within the constraints of its approved budget and funding, to further the purposes of the organization (CURRENT)

The Commission may enter into contracts with any individual or entity, not excluding members of the Commission, to further the purposes of the organization. All contracts must operate within the constraints of its approved budget and funding.

Article IV - Section 2

The fiscal year of the Community Enrichment Commission shall begin on July 1 and end on June 30th of the following calendar year. (CURRENT)

The fiscal year of the Community Enrichment Commission shall begin on September 1 and end on August 31st of the following calendar year. (PROPOSED)

Wyoming Community Enrichment Commission

November 17, 2015 Meeting Minutes

Attendees

WCEC MEMBERS: Jeremy Bakken, Teresa Scott-Garn, Brandon Simmons, Vicki Briggs, Laura Arends, Renee Gardner, Kathy Pupel, Dylan Warren
GUESTS: Kati Simmons, Eric Tompkins, Tim Arends, Sandy Farris

Review & Approval of Meeting Minutes

- Meetings reviewed and approved as written

Welcome & Introductions

- New Team Members Introduced
  - Kathy Pupel
  - Renee Gardner
- Commission members introduced themselves and their responsibilities
- Discussion regarding makeup of group, subcommittee overview and activities

Officer Election – Treasurer Position

- Kathy Pupel was nominated as treasurer position
- Kathy is an agent for the City of Wyoming
- Has previously served as the treasurer for the Grand Rapids Symphony
- Jeremy made a motion that we appoint Kathy as the Treasurer
- Vicki seconded the motion
- Vote passed unanimously

Trailer Sale Status Update

- We have selected a trailer to purchase
- Dylan and Brandon inspected the trailer to ensure that it would meet our needs
- Trailer is used, listed on craigslist
- Negotiated a price of $4,000
- Will explore cost of having the WCEC logo added to the trailer
- Previous trailer was sold at auction with proceeds to be used towards new trailer purchase
- Motion made to purchase the trailer
- Vote passed unanimously
- Dylan and Brandon will work with COW to provide the appropriate forms and supporting materials

By-law and Ordinance Amendments

- Three areas recommended to be changed (Refer to October Minutes for exact language)
  - Increase in Membership
  - Compensation discussion
  - Fiscal Year Change
- Laura motioned to move forward with the proposed amendments to the bylaws and ordinances
- Teresa Scott-Garn seconded the motion
- No additional discussion
- Vote passed unanimously
- Changes will be forwarded to Wyoming City Council for consideration at Dec. 14 work session

Reports from Subcommittee Groups

- Fireworks
  - Dylan provided an update on event planning
  - Date for the fireworks will be June 28
  - Exploring changes to parking situation (more handicapped parking, shuttles, etc.)
  - Exploring quotes from two security firms to provide added staff and enhance safety
    - DK Security
    - Securitas
- Event Development
  - Focus of last subcommittee meeting was a review
  - Currently exploring Themes for 2015
    - Kids Night – School Spirit Night! (t-shirts, mascots, etc)
    - Back to School theme for final concert (School supply giveaways)
    - Fireworks night – Night under the Stars & Stripes, coordinate with local veterans
    - July – Christmas in July, Santa in sandals, etc.
    - Superhero Night
    - Latino Night
    - 80's Night – Big hair, crazy hair
    - Racing Awareness – two racecars on site
    - Ladies Night – similar to 2015 event
    - Tribute Night – tribute band and also tribute to community groups or members
  - Working with the COW, Kregel, etc to secure bounce houses, etc.
  - Discussed $5,000 budget for event development in 2016
  - Looking for opportunities to continue We Art Wyoming
  - Eric to communicate with COW to arrange donation of 2015 project
- Band Updates
  - Vicki provided an update on status of outreach to bands
  - Several bands have already been booked for the 2016 seasons
  - Looking for tribute band suggestions
- Concession Sales
  - Currently exploring additional vendors from the Wyoming area to add to list of suppliers
  - Group will work with Music & More Fest subcommittee to support concession needs
- Music & More Fest
  - Date for the event is August 6
  - Vicki is currently exploring bands for the event
  - Crashes Landing has agreed to be the nonprofit partner for beer sales
  - Discussed idea of tournament day at MMF (kickball, cornhole, disc golf, softball, etc.)
  - Working on partnership with Grand Rapids Film Festival for the Movie

Meeting Adjourned 8:50 PM

Respectfully submitted:

Jeremy Bakken - Secretary