

Revised 04062021

**RETIREMENT PLAN  
FOR MUNICIPAL EMPLOYEES  
OF  
THE TOWN OF WESTPORT, CONNECTICUT**

**As Amended and Restated Effective July 1, 2017**

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## **PREAMBLE**

The Retirement Plan for Municipal Employees of the Town of Westport, Connecticut (the "Plan") was originally adopted July 1, 1966. It was subsequently amended from time to time. It is intended that the Plan, as amended and restated herein, shall continue to constitute a qualified pension plan and that the Trust shall be exempt from tax under the applicable provisions and the Treasury Regulations and rulings thereunder. The purpose of this amendment and restatement is to reflect terms of the contract between the Town and the Unions whose members are participants in this Plan covering the period between July 1, 2017 through June 30, 2020 as modified by the Stipulated Arbitration Award Case # 2017-MBA-322 entered on July 14, 2017; as well as applicable amendments required under the 2015 Cumulative List (IRS Notice 2015-84), the 2016 Required Amendments List (IRS Notice 2016-80) and the 2017 Required Amendments List (IRS Notice 201-72). If any provision of the Plan should be subject to more than one interpretation, such provision shall be interpreted in a manner which shall be consistent with the Plan being regarded as a qualified pension plan and the Trust being exempt from tax as aforesaid.

The Plan, as restated herein, shall become effective as of July 1, 2017, except as otherwise indicated herein, and constitutes an amendment, restatement and continuation of the Plan, as amended and in effect on June 30, 2017. Except as the parties may mutually agree, the Plan, as restated herein, shall remain in effect until June 30, 2020.



## ARTICLE I DEFINITIONS

As used herein, the words and phrases below shall have the following meanings:

1.1 “Actuarial Equivalent” or “Equivalent Actuarial Value” means, effective July 1, 1998, a benefit of equivalent value when computed on the basis of the rate of interest of 7% and mortality rates in accordance with the 1983 Group Annuity Mortality Table (unisex based on 50% male/50% female).

1.2 “Actuary” means the Enrolled Actuary retained by the Pension Committee in connection with the administration of the Plan.

1.3 “Approved Absence” means the period during which an Employee absents himself from work, with the written approval of the Town. An Approved Absence of 12 months or less may be restored as continuous Credited Service if the Participant elects to contribute the amount he would have paid to the Plan plus Interest with respect to that period. An Approved Absence in excess of 12 months may be restored in the same manner, but shall be considered non-continuous Credited Service.

Approved Absence specifically includes military service with the Armed Forces (including Coast Guard and Merchant Marine Service) provided such Employee has re-employment rights under applicable laws and complies with the requirements of the law as to re-employment and is re-employed.

In the application of the provisions of this Section 1.3, all Employees shall be treated alike under similar circumstances.

1.4 “Average Final Compensation” means, with respect to a Participant, the greater of (i) his Compensation during the calendar year in which his Compensation was the highest, or (ii) his final 12 months of Compensation.

1.5 “Code” means the Internal Revenue Code of 1986, as amended.

1.6 “Compensation” means, with respect to a Participant, the following:

(a) For all purposes other than Section 4.2, the basic salary regularly paid by the Employer to such Participant,

(1) exclusive of any overtime pay, bonuses, gratuities, commissions, retainer fees, benefits, severance pay, allowance for expenses or other special remuneration paid to such Participant; and

(2) increased by any “pick-up” contributions with respect to such Participant which are designated as Employer contributions in accordance with Section 414(h)(2) of the Code.

(b) For purposes of Section 4.2, such Participant's wages for the Plan Year paid by the Employer of the type reported in Box 1 of Form W-2. Such wages shall include amounts within the meaning of Section 3401(a) of the Code plus any other amounts paid to him by the Employer for which the Employer is required to furnish a written statement under Sections 6041(d) and 6051(a)(3) of the Code, determined without regard to any rules that limit the amount required to be reported based on the nature or location of the employment or services performed,

(1) exclusive of any amounts paid or reimbursed by the Employer for moving expenses which the Employer reasonably believes at the time of such payment to be deductible by the Employee under Section 217 of the Code;

(2) increased by the amount of any contributions made by the Employer under any salary reduction or similar arrangement to: (A) a qualified cash or deferred arrangement under Code Section 401(k); (B) a simplified employee pension plan described in Section 408(k) of the Code; (C) a SIMPLE arrangement under Code Section 408(p); (D) an annuity contract described in Section 403(b) of the Code; (E) a deferred compensation plan within the meaning of Section 457(b) of the Code; (F) a cafeteria plan under Code Section 125; and (G) a deferred compensation plan under Code Section 457; and

(3) increased by any amounts contributed or deferred by the Employer at his election and which is not includable in his gross income under Section 132(f)(4) of the Code.

(c) Compensation shall be limited as follows:

(1) In addition to any other applicable limitations set forth in the Plan and notwithstanding any other provision in the Plan to the contrary, for Plan Years beginning after January 1, 1989, and prior to January 1, 1994, the annual Compensation of each Participant taken into account under the Plan shall not exceed \$200,000, as adjusted by the Secretary for increases in the cost of living at the same time and in the same manner as under Section 415(d) of the Code (the "TRA 1986 Limit"). The cost-of-living adjustment for a calendar year shall apply to any period (a "Determination Period") not exceeding 12 months, over which Compensation is determined, beginning in such calendar year. If a Determination Period consists of fewer than 12 months, the TRA 1986 Limit shall be multiplied by a fraction whose numerator is the number of months in the Determination Period and whose denominator is 12. If Compensation for any prior Determination Period is taken into account in determining any Participant's benefits accruing in any Plan Year beginning after January 1, 1989, and prior to January 1, 1994, the Compensation for such prior Determination Period shall be subject to the TRA 1986 limit in effect for such prior Determination Period. For purposes of the preceding sentence, for Determination Periods beginning before the first day of the Plan Year beginning on or after January 1, 1989, the TRA 1986 Limit shall be \$200,000.

(2) In addition to any other applicable limitations set forth in the Plan and notwithstanding any other provision in the Plan to the contrary, for Plan Years beginning on or after January 1, 1994, the annual Compensation of each Participant taken into account under the Plan shall not exceed \$150,000, as adjusted by the Secretary for increases in the cost of living

in accordance with Section 401(a)(17)(B) of the Code (the "OBRA 1993 Limit"). The cost-of-living adjustment for a calendar year shall apply to any Determination Period beginning in such calendar year. If a Determination Period consists of fewer than 12 months, the OBRA 1993 Limit shall be multiplied by a fraction whose numerator is the number of months in the Determination Period and whose denominator is 12. If Compensation for any prior Determination Period is taken into account in determining any Participant's benefits accruing in the current Plan Year, the Compensation for such prior Determination Period shall be subject to the OBRA 1993 Limit in effect for such prior Determination Period. For purposes of the preceding sentence, for Determination Periods beginning before the first day of the Plan Year beginning on or after January 1, 1994, the OBRA 1993 Limit shall be \$150,000.

(3) Effective for Limitation Years beginning after July 1, 2007, there shall be included in a Participant's Compensation for purposes of Subsections (a) and/or (b) above, as the case may be, any payment after termination of his employment only if such payment (i) is regular compensation for services during his regular working hours, or compensation for services outside such regular working hours (such as overtime), bonuses or other similar payments; (ii) would have been paid to him before termination of employment if he had continued in employment with the Employer and if so paid, would have been included in "Compensation" under said Subsections (a) and/or (b), as the case may be; and (iii) is paid by the later of 2½ months after termination of employment or the end of the Limitation Year including the date of termination of employment.

(4) Notwithstanding the preceding provisions, the annual Compensation of each Participant taken into account in determining benefit accruals in any Plan Year beginning after December 31, 2001, shall not exceed \$200,000. The \$200,000 limit in the preceding sentence shall be adjusted for cost-of-living increases in accordance with Section 401(a)(17)(B) of the Code. The cost-of-living adjustment in effect for a calendar year applies to annual Compensation for the determination period that begins with or within such calendar year.

1.7 "Credited Service" with respect to a Participant means:

(a) Years of Service during which the Employee is eligible for the Plan in accordance with the eligibility provisions set forth in Article II. An Employee's years of Credited Service and years of continuous service shall be based on his latest date of employment. In no case shall the Credited Service of a Participant exceed 33 years.

(b) If the Participant was a participant of another pension plan to which the Town contributed immediately prior to his membership in this Plan, his years of Credited Service under this Plan shall include his years of credited service under the other pension plan of the Town in which he was a participant; provided that if his benefits are not fully vested under the other plan at the time he begins participation in this Plan, all his employee contributions to the other plan with Interest are transferred to this Plan. Any pension benefit payable from this Plan shall be offset by any benefit to which he is entitled from any other pension plan of the Town.

(c) Any Participant who is a member of the Westport Municipal Employees' Union or the Library Employees' Union as defined in Section 1.35, who has at least sixty (60)

days of accrued but unused sick time at his or her Retirement Date will be credited with three (3) calendar months of Credited Service for benefit computation purposes. If such Participant has less than sixty (60) days accrued but unused sick time, no additional service will be credited.

1.8 “DC Plan” means the Town of Westport Defined Contribution Retirement Plan.

1.9 “Designated Beneficiary” means the beneficiary designated by a Participant, subject to change from time to time by such Participant, on forms provided by the Pension Committee; provided, however, that if there be no Designated Beneficiary at the date of death of the Participant (e.g., due to the earlier death of the Designated Beneficiary or due to failure of the Participant to designate a beneficiary) then the Pension Committee shall, for any death benefit that may be available under the Plan (other than a monthly benefit payable to any Joint Annuitant or surviving spouse), designate a beneficiary from the following list taken in priority order:

- (a) the Participant’s legal spouse, or, if none survives;
- (b) the Participant’s lineal descendants (including any children legally adopted) per stirpes; or if none survives;
- (c) the Participant’s parents, share and share alike; or if none survives;
- (d) the Participant’s estate,

subject to Sections 15.4, 15.5 and 15.6.

1.10 “Disabled” means, with respect to a Participant, the inability to perform the duties of any occupation for which he is reasonably fitted by reason of training, education or experience.

1.11 “Effective Date” of the Plan as amended and restated herein is July 1, 2017, except as provided in the Preamble and except as otherwise stated herein. The original effective date was July 1, 1966.

1.12 “Employee” means any person employed by the Town, the Westport Board of Education or the Westport Library on a permanent basis, excluding all employees eligible to participate in the pension plans, or any successor pension plans, of the following bargaining units or successor units:

- (a) Westport Police Local #2080 and Council #15 American Federation of State, County and Municipal Employees, AFL-CIO;
- (b) Local 1081, International Association of Fire Fighters, AFL-CIO; and
- (c) Local 1303-385, Council 4, American Federation of State, County and Municipal Employees, AFL-CIO,

but excluding any teachers or other employees now or formerly eligible for membership in the Connecticut State Teachers Retirement System or covered by the pension system established by

Special Act Number 430; and further excluding employees eligible for inclusion in the Town's Retirement Plan for Non-Union Supervisory Employees and the Town's Retirement Plan for Non-Union and Non-Supervisory Employees or who are not represented by collective bargaining and are eligible for inclusion in the DC Plan. The term "Employee" shall not include a "leased employee," within the meaning of Section 414(n)(2) of the Code.

1.13 "Employer" means the Town of Westport, Connecticut.

1.14 "Enrolled Actuary" means a person designated as an enrolled actuary by the Joint Board of Enrollment of the Internal Revenue Service.

1.15 "Interest," when used in connection with a Participant's contributions, means such rate per annum as may from time to time be fixed by the Town, except as otherwise provided in Sections 9.2, 9.3 and 10.5(b). Interest on a Participant's contributions during a Plan Year accrues from July 1 of the following Plan Year to the first of the month in which pension payments commence, or death or termination of service occurs, unless some other applicable date is specified in the Plan.

1.16 "Joint Annuitant" means the person designated by a Participant to receive benefits pursuant to Article V.

1.17 "Limitation Year" means the period July 1 to June 30.

1.18 "Medical Plan" means, collectively, the plan or plans maintained by the Town pursuant to which medical, prescription drug and/or dental benefits are made available to particular Employees, Retirees and their respective spouses and Dependents. If any such plan is referred to herein by name, such reference shall also include any comparable successor plan.

1.19 "Normal Retirement" means termination of employment (except by death) of a Participant on the first day of the month coincident with or next following his Normal Retirement Date as set forth in Article III.

1.20 "Participant" means an Employee satisfying the eligibility requirements set forth in Article II.

1.21 "Pension Fund" means the trust fund described in Article XII.

1.22 "Pension Committee" means the Committee appointed by the First Selectman or First Selectwoman and designated Bargaining Units to administer the Plan, pursuant to Article 10.

1.23 "Plan" means the Retirement Plan for Municipal Employees of the Town of Westport, Connecticut, effective July 1, 1966, and as amended and restated herein.

1.24 "Plan Year" means July 1 to June 30.

1.25 “Qualified Military Service” means any service in the “uniformed services” (as defined in Chapter 43 of Title 38, United States Code) by any individual if such individual is entitled to reemployment rights under such chapter as to such service.

1.26 “Retiree” means a Participant who retires and who is eligible for benefits under the Plan.

1.27 “Retirement Date” means the date as of which a Participant’s Normal or Deferred Retirement occurs under the Plan, or in the case of a Participant entitled to a monthly termination benefit, the date that payment of such benefit commences.

1.28 “Retirement Option” means the optional forms of pension as provided in Article V.

1.29 “RTM” means the Representative Town Meeting of the Town.

1.30 “Secretary” means the Secretary of the Treasury, or his delegate.

1.31 “Service” means the continuous period during which a person is in the status of an Employee, including Approved Absence subject to limitations on Approved Absence as set forth in Section 1.3.

1.32 “Spouse” means any individual to whom the Participant is legally married under the laws of the state or country in which the marriage was celebrated, without regard to whether such marriage is recognized under the laws of the state or country in which the Participant resides.

1.33 “Town” means the Town of Westport in the County of Fairfield, State of Connecticut.

1.34 “Trustee” means the trustee of the Pension Fund, acting pursuant to the terms of a trust agreement with the Town.

1.35 “Union” means, as to a Participant, the union representing him in collective bargaining with the Town. The Unions whose members are eligible to participate in this Plan as of July 1, 2017 are Westport Municipal Employees, AFSCME Co. 4, Local 1303-387 (the “Westport Municipal Employees’ Union”), AFSCME Co. 4, 1303-194 (Parks and Rec.), AFSCME Co. 4, Local 1303-153 (BOE Nurses), AFSCME Co. 4, Local 1303-225 (Maintenance Employees), AFSCME Co. 4, and Locals 1303-157 (“Library Employees” Union), Westport Association of Paraprofessionals, Westport Educational Secretaries, and Westport Association of Paraprofessionals-Custodians. Union shall also mean any union that is a successor to the unions listed in this Section 1.35.

1.36 “Year of Service” means a 12-consecutive-month period commencing with an Employee’s date of employment and succeeding 12-consecutive-month period(s) during which the Employee was continuously employed by the Employer. In the case of Employees from the Town employed by the Westport School Lunch Program and Employees covered by the Westport Paraprofessional Association Bargaining Agreement or other employees who regularly

work 9 months or more but less than 12 months per year, continuous employment for the period of approximately 9 months which constitutes the entire school year or an employee's normal work year shall be deemed to constitute a Year of Service (partial years shall be credited based on complete months at the rate of 1/9 Year of Service per complete month). For other than such Participants as described above, each completed month of continuous employment shall constitute 1/12 of a Year of Service and the following rule shall apply:

Wherever used in the Plan, the masculine pronoun shall be deemed to include the feminine and the singular shall include the plural.

**ARTICLE II  
ELIGIBILITY**

2.1 Eligibility for Participants prior to July 1, 2017.

Each Employee who was a Participant in the Plan as in effect prior to the Effective Date shall continue to participate in this Plan. Any Employee hired or rehired on or after July 1, 2017, shall not be eligible to participate in the Plan.

2.2 Entry Date.

(a) Each other Employee employed by the Employer between July 1, 2017 and July 13, 2017, shall become a Participant of the Plan provided the Employee:

- (1) works twenty (20) or more hours per week on a consistent basis;
- (2) works 9 months or more per year;
- (3) has completed his probationary period;
- (4) is not eligible for another retirement plan to which the Employer contributes;
- (5) has been hired prior to reaching age 60; and
- (6) is hired prior to July 14, 2017.

(b) An Employee hired at age 60 or above may elect not to become a Participant by executing and filing the appropriate form with the Town.

(c) An Employee hired or rehired on or after July 14, 2017 shall be eligible to participate in the DC Plan.



**ARTICLE III  
RETIREMENT DATES**

3.1 Normal Retirement Date Prior to July 14, 2017.

(a) Prior to July 14, 2017, a Participant's Normal Retirement Date is the first of the month coincident with or next following:

(1) age 55 and completed an aggregate of at least 10 years of continuous Credited Service (not less than 120 calendar months of employment); or

(2) age 55 and completed at least 15 years of non-continuous Credited Service (not less than 180 calendar months of employment); or

(3) completion of 25 years of Credited Service without regard to age.

Credited Service shall be determined in accordance with Section 1.7 and Section 1.36.

(b) The 15 years of non-continuous Credited Service provisions in this Section 3.1 and elsewhere in the Plan shall apply when a Participant has less than 10 years of Credited Service and Service has been interrupted because the Participant:

(1) has taken an Approved Absence of more than 12 months; or an Approved Absence of 12 months or less which has not been bought back;

(2) has been laid off and recalled within one year of layoff or the time specified in any applicable collective bargaining agreement, and has not bought back the time; or

(3) has been assigned a work schedule in which weekly hours worked are less than 20 or the number of months worked are less than 9 and subsequently restored to a 20 or more hours work week and 9 months of employment.

(c) In no event shall the Normal Retirement Date be earlier than the date on which the Participant has completed 120 months (10 years) of continuous employment or 180 months (15 years) of non-continuous employment.

3.2 Normal Retirement Date after July 14, 2017.

(a) Notwithstanding Section 3.1, the Normal Retirement Date of a Participant who had not reached his Normal Retirement Date under Section 3.1 on or before July 14, 2017 shall be the first of the month coincident with or next following:

(1) age 55; and completed

(i) an aggregate of at least 25 years of continuous Credited Service (not less than 300 calendar months of employment); or

(ii) at least 30 years of non-continuous Credited Service (not less than 360 calendar months of employment); or

(2) age 65 and completed:

(i) an aggregate of at least 10 years of continuous (not less than 120 calendar months of employment) Credited Service; or

(ii) an aggregate of at least 15 years of non-continuous Credited Service (not less than 180 calendar months of employment).

Credited Service shall be determined in accordance with Section 1.7 and Section 1.36.

(b) The 30 and 15 years of non-continuous Credited Service provisions in this Section 3.2 and elsewhere in the Plan shall apply when a Participant has less than 10 years of Credited Service and Service has been interrupted because the Participant:

(1) has taken an Approved Absence of more than 12 months; or an Approved Absence of 12 months or less which has not been bought back;

(2) has been laid off and recalled within one year of layoff or the time specified in any applicable collective bargaining agreement, and has not bought back the time; or

(3) has been assigned a work schedule in which weekly hours worked are less than 20 or the number of months worked are less than 9 and subsequently restored to a 20 or more hours work week and 9 months of employment.

(c) In no event shall the Normal Retirement Date be earlier than the date on which the Participant has completed 120 months (10 years) of continuous employment or 180 months (15 years) of non-continuous employment.

### 3.3 Deferred Retirement.

A Participant may defer retirement beyond his Normal Retirement Date.

**ARTICLE IV  
RETIREMENT BENEFITS**

4.1 Normal or Deferred Retirement Pension.

The Normal or Deferred Retirement Pension for Participants shall be determined as follows:

(a) A monthly pension equal to 2% of monthly Average Final Compensation multiplied by the number of completed years and completed months (each month counting as 1/12 of a year) of Credited Service up to a maximum of 33 years of Credited Service. Effective for Participants other than school cafeteria employees who complete any Credited Service on or after July 1, 2003, the monthly pension shall be equal to the sum of:

(1) 2.0% of monthly Average Final Compensation multiplied by the number of completed years and completed months (each month counting as 1/12 of a year) of Credited Service up to a maximum of 20 years of Credited Service; plus

(2) for Credited Service completed before July 1, 2016, 2.25% of monthly Average Final Compensation multiplied by the number of completed years and completed months (each month counting as 1/12 of a year) of Credited Service-in excess of 20 years of Credited Service; plus

(3) for Credited Service completed on or after July 1, 2016, 2% of monthly Average Final Compensation multiplied by the number of completed years and completed months (each month counting as 1/12 of a year) of Credited Service in excess of 20 years of Credited Service.

(b) For purposes of Sections 4.1(a)(2) and 4.1(a)(3), no more than a total of 13 years of Credited Service in excess of 20 years of Credited Service (whether completed before or after July 1, 2016) shall be taken into account.

4.2 Limits on Benefits.

Notwithstanding any other provision of the Plan, the benefits of a Participant hereunder shall be subject to the following limitation: The maximum Annual Benefit payable to a Participant under the Plan, and under any other defined benefit plan sponsored by the Employer (or any entity aggregated with the Employer pursuant to Section 414 of the Code), for any Limitation Year shall not exceed the limitation set forth in Section 415(b) of the Code. For purposes of Sections 415(b)(2)(E)(i) and Section 415(b)(2)(E)(iii) of the Code, the interest rate shall be 5% per annum, compounded annually. The term "Annual Benefit" shall mean a benefit payable annually in the form of a qualified joint and survivor annuity ~~{as defined in Section 417(b) of the Code and Treasury Regulation Section 1.401(a)-20, Q&A-25}~~ (with no ancillary benefits) under a plan to which employees do not contribute and under which no rollover contributions are made.

#### 4.3 Minimum Retirement Benefit.

Notwithstanding anything to the contrary contained herein, the minimum retirement pension payable at Normal Retirement under the Plan is \$83.33 per month or \$1,000 per year.

#### 4.4 Continued Coverage under Medical Plan.

Each Retiree shall be entitled to continue his coverage under the Town's Medical Plan in effect at the time of his retirement by paying the total cost of such coverage until the July 1 following the attainment of age 49, and thereafter by paying 50% of the cost of such coverage.

#### 4.5 Continued Coverage under Medical Plan for Participants Retiring on or After July 1, 2003.

Notwithstanding Section 4.4, the following provisions concerning coverage under the Town's Medical Plan shall apply to all Participants retiring on or after July 1, 2003, and who are immediately entitled to benefits under this Plan, and to the covered spouses and covered dependent children of such Participants:

(a) Each Retiree shall be entitled to continue his coverage for himself and his covered spouse and covered dependent children under the Town's Medical Plan in effect at the time of his retirement by paying the total cost of such coverage until the July 1 following the attainment of age 49, and thereafter by paying 50% of the cost of such coverage, determined annually. The cost of coverage shall be based upon the "allocation rate." Coverage for a dependent child under the Medical Plan shall cease at such time as such child is no longer a "dependent" for purposes of such plan.

(b) In the event of a Retiree's death, his surviving covered spouse and surviving covered Dependents shall pay 50% of the cost of coverage for them, as determined based upon the "allocation rate." For purposes of this Section 4.5, the term "Retiree" also includes a Participant with respect to whom a death benefit is payable pursuant to Section 8.1.

(c) At such time as such Retiree or the spouse of a Retiree reaches the age of eligibility for Medicare (even if such Retiree or spouse is not eligible for Medicare):

(1) Such Retiree or spouse shall no longer be able to participate in the Medical Plan then covering him, except as provided in Section 4.5(c)(3) and, provided that he has applied and been granted coverage under Medicare Part A and Part B, he shall instead be eligible to enroll in one of the following plans, depending on his status at the time of retirement:

(i) For former employees of the Town, coverage shall be under the Blue Cross/Blue Shield Century Carve Out Plan.

(ii) For former employees of the Board of Education, coverage shall be under the Blue Cross/Blue Shield High Option Plan 81 with Prescription Rider.

(iii) For former employees of the Westport Library, the plan shall be the Blue Cross 65 High Option and Blue Shield 65-82 Plan.

Retirees and spouses shall pay the 50% of the cost for the applicable plan specified in this Section 4.5(c)(1).

(2) Such Retiree or spouse shall be responsible for payment of the full premiums for any Medicare coverage, including without limitation Part B coverage and also Part A coverage (unless such Retiree or spouse is entitled to Part A coverage without the payment of premiums).

(3) Such Retiree or spouse shall continue to be covered under the dental and prescription drug benefits of the Medical Plan, and the premium which he shall pay for such coverage shall be the amount he would be required to pay under Section 4.4 as if he had not reached the age of eligibility for Medicare.

(4) The amount which a Retiree or the spouse of a Retiree is required to pay for coverage under the Medical Plan under this Section 4.5 for any year shall not increase by more than 10% over the cost of coverage for the preceding year.

(d) A Retiree and his covered spouse and otherwise-eligible dependents, shall not be entitled to the benefits specified in this Section 4.5 if:

(1) he did not participate in the Medical Plan immediately prior to the time of his retirement; or

(2) he does not elect to participate in the benefits specified in Section 4.5 at the time of retirement; or

(3) he participated in the Medical Plan following retirement and subsequently ceased such participation (in which event he may not later opt to be covered by the Medical Plan); or

(4) he is hired on or after July 14, 2017.

**ARTICLE V**  
**FORM OF RETIREMENT PAYMENTS AND ELECTION PROCEDURES**

5.1 Retirement Payment Forms.

(a) The normal form of payment is a Life Annuity, payable monthly for the life of the Retiree. This benefit ceases with the death of the Retiree.

(b) The following options are available:

(1) Joint and Survivor Life Annuity--An annuity actuarially reduced in amount, under which payments are made to the Retiree until death, then continue to a specified joint annuitant in same or reduced (75%, 66-2/3% or 50%) amount until death of the joint annuitant. The benefits under this option shall be of Equivalent Actuarial Value to the Life Annuity benefit.

(2) Period Certain (5, 10 or 20 years) and Life Annuity--Monthly payments under this option are also less than under the life annuity. Payments are guaranteed for the lifetime of the Retiree, with the provision that not less than 60, 120 or 240 equal monthly payments shall be made as designated by the Retiree, to him or a Designated Beneficiary. Should both parties die before receiving the guaranteed number of payments, the commuted value of the balance shall be paid in a lump sum amount to the estate of the last survivor. The benefits under this option shall also be of Equivalent Actuarial Value to the Life Annuity benefit.

(3) Modified Cash Refund and Life Annuity--This option guarantees a minimum aggregate of payments equal to the accumulated Employee contributions with Interest to a Retiree or a Designated Beneficiary. The benefits under this option shall also be of Equivalent Actuarial Value to the Life Annuity benefit.

5.2 Election and Revocation of Optional Forms.

At least 3 months prior to his Retirement Date a Participant should notify the Pension Committee of his anticipated Retirement Date. Subsequently, the Participant shall be notified of the benefit available under the various optional forms of payment as described in Section 5.1 and shall make an election. A Participant may revoke an election made by him at any time prior to his Retirement Date and make a new election subject to the limitation herein.

5.3 Death of Joint Annuitant.

If a Participant elects a joint and survivor annuity and the joint annuitant dies prior to the commencement of benefits, then the Participant shall receive his pension in the form of a life annuity.

5.4 Direct Rollovers of Eligible Rollover Distributions.

Notwithstanding any other provision of the Plan to the contrary which would otherwise limit a Distributee's election under this Section 5.4, a Distributee may elect, at the time and in the manner permitted by the Plan Administrator, to have any portion of an Eligible Rollover

Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover. For purposes of this Section 5.4:

(a) “Direct Rollover” means a payment by the Plan to the Eligible Retirement Plan specified by a Distributee.

(b) “Distributee” means a Participant who is an Employee or former Employee. In addition, (1) such a Participant’s spouse or former spouse who is the alternate payee under a “qualified domestic relations order,” as defined in Section 414(p) of the Code, and (2) the surviving spouse of a deceased Participant who was an Employee or former Employee, are Distributees with regard to the interest of such spouse or former spouse in the Plan. A distributee includes the Participant's or former Participant's nonspouse designated beneficiary, in which case, the distribution can only be transferred to a traditional or Roth IRA established on behalf of the nonspouse designated beneficiary for the purpose of receiving the distribution.

(c) “Eligible Retirement Plan” means an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, which accepts a Distributee’s Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to a Distributee who is surviving spouse, an “Eligible Retirement Plan” means an individual retirement account or individual retirement annuity. The term “Eligible Retirement Plan” shall also include (i) an annuity contract described in Section 403(b) of the Code, (ii) an eligible plan which is maintained under Section 457(b) of the Code and which is maintained by a state or political subdivision of a state or instrumentality of a state and which agrees to separately account for amounts transferred to such plan from this Plan, and (iii) a Roth IRA described in Code Section 408A. The definition of “Eligible Retirement Plan” shall apply in the case of a distribution to a surviving spouse of a Participant or to a spouse or former spouse of a Participant who is an alternate payee under a “qualified domestic relations order,” as defined in Section 414(p) of the Code.

(d) “Eligible Rollover Distribution” means any distribution of all or any portion of the balance to the credit of the Distributee under the Plan, except that an Eligible Rollover Distribution shall not include: (1) any distribution which is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee’s Designated Beneficiary, or for a specified period of 10 years or more; (2) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and (3) the portion of any distribution which is not includible in gross income. The enumeration in the preceding sentence of any form of payment shall not imply that any person has the right to receive benefits under the Plan in such form unless otherwise specifically provided under the Plan. The term “Eligible Rollover Distribution” shall also include a direct trustee-to-trustee transfer of all or any portion of a distribution from the Plan from the benefit of a deceased Participant to an individual retirement account described in Code Section 408(a), or an individual retirement annuity described in Code Section 408(b) (other than an endowment contract), established for the purposes of receiving such distribution or portion thereof on behalf of an

individual who is a Designated Beneficiary, within the meaning of Section 6.7(b), who is not the surviving spouse of such Participant.

If, pursuant to Sections 9.2 or 9.3, a distribution of more than \$1,000 (not to exceed \$5,000) is payable to a Participant whose employment has terminated, and such Participant does not elect to receive such distribution directly or, pursuant to this Section 5.4, to have such distribution paid to an Eligible Retirement Plan in a direct rollover, the Pension Committee shall cause such distribution to be paid in a direct rollover to an individual retirement account described in Section 408(a) of the Code or to an individual retirement annuity described in Section 408(b) of the Code.

#### 5.5 Qualified Military Service.

(a) Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit as to Qualified Military Service shall be provided in accordance with Section 414(u) of the Code.

(b) Effective as to deaths occurring on or after January 1, 2007, in the case of a Participant who dies while performing Qualified Military Service, his survivors shall be entitled to any additional benefits (other than benefit accruals related to the period of Qualified Military Service) that may be provided under the Plan had he then resumed and terminated employment on account of death.



## ARTICLE VI REQUIRED DISTRIBUTIONS

### 6.1 General Rules.

The provisions of this Article VI shall take precedence over any inconsistent provisions of the Plan. All distributions required under this Article VI shall be determined and made in accordance with the Treasury regulations under Code Section 401(a)(9).

### 6.2 Time and Manner of Distribution.

(a) A Participant's entire vested interest in the Plan (as determined pursuant to Section 9.1) shall be distributed, or begin to be distributed, to him no later than his Required Beginning Date.

(b) If a Participant dies before distributions begin, his entire vested interest in the Plan shall be distributed, or begin to be distributed, no later than as follows:

(1) If such Participant's surviving spouse is his sole Designated Beneficiary, then distributions to such surviving spouse shall begin by December 31 of the calendar year immediately following the calendar year in which such Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

(2) If such Participant's surviving spouse is not his sole Designated Beneficiary, then distributions to his Designated Beneficiary shall begin by December 31 of the calendar year immediately following the calendar year in which such Participant died.

(3) If there is no Designated Beneficiary as of September 30 of the year following the year of such Participant's death, such Participant's entire vested interest in the Plan shall be distributed by December 31 of the calendar year containing the fifth anniversary of such Participant's death.

(4) If such Participant's surviving spouse is his sole Designated Beneficiary and such surviving spouse dies after such Participant but before distributions to such surviving spouse begin, this Section 6.2(b), other than Section 6.2(b)(1), shall apply as if the surviving spouse were the Participant.

For purposes of this Section 6.2(b) and Section 6.5, distributions shall be considered to begin on a Participant's Required Beginning Date or, if Section 6.2(b)(4) applies, the date distributions are required to begin to the surviving spouse under Section 6.2(b)(1). If annuity payments irrevocably commence to a Participant before his Required Beginning Date or to his surviving spouse before the date distributions are required to begin to such surviving spouse under Section 6.2(b)(1), the date distributions shall be considered to begin is the date distributions actually commence.

Unless a Participant's vested interest in the Plan is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before his Required Beginning Date, as of the first Distribution Calendar Year distributions shall be made in accordance with

Sections 6.3, 6.4 and 6.5. If a 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 Code Section 401(a)(9) and the Treasury regulations.

### 6.3 Determination of Amount to be Distributed Each Year.

(a) If a Participant's interest is paid in the form of annuity distributions under the Plan, such distributions shall satisfy the following requirements:

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

(2) The distribution period shall be over a life (or lives) or over a period certain not longer than the period described in Sections 6.4 or 6.5.

(3) 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;

(4) Payments shall either be non-increasing or shall increase only as follows:

(i) To the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section 6.4 dies or is no longer the Participant's beneficiary pursuant to a "qualified domestic relations order" within the meaning of Section 414(p) of the Code; or

(ii) To pay increased benefits that result from a Plan amendment.

(b) The amount which must be distributed on or before a Participant's Required Beginning Date or, if such Participant dies before distributions begin, the date distributions are required to begin under Sections 6.2(b)(1) or 6.2(b)(2) is the payment which 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. All of a 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 his Required Beginning Date.

(c) Any additional benefits accruing to a 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.

### 6.4 Requirements for Annuity Distributions Commencing during a Participant's Lifetime.

(a) If a Participant's vested interest in the Plan is being distributed in the form of a joint and survivor life annuity for the joint lives of the Participant and a non-spouse Designated Beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the Designated Beneficiary after the 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 using the table set forth in Q&A-2 of Treasury Regulation Section 1.401(a)(9)-6T. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-spouse 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.

(b) Unless a 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 such Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Treasury Regulation Section 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 such Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Treasury Regulation Section 1.401(a)(9)-9 plus the excess of 70 over the age of such Participant as of his birthday in the year that contains the Annuity Starting Date. If such 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 such Participant's applicable distribution period, as determined under this Section 6.4(b), or the joint life and last survivor expectancy of such Participant and his spouse as determined under the Joint and Last Survivor Table set forth in Treasury Regulation Section 1.401(a)(9)-9, using such Participant's and spouse's attained ages as of such Participant's and spouse's birthdays in the calendar year that contains the Annuity Starting Date.

#### 6.5 Requirements for Minimum Distributions Where Participant Dies Before Date Distributions Begin.

(a) If a Participant dies before the date distribution of his vested interest in the Plan begins and there is a Designated Beneficiary, such Participant's entire vested interest shall be distributed, beginning no later than the time described in Sections 6.2(b)(1) or 6.2(b)(2), over the life of the Designated Beneficiary or over a period certain not exceeding:

(1) Unless the Annuity Starting Date is before the first distribution calendar year, the life expectancy of such Designated Beneficiary determined using his age as of his birthday in the calendar year immediately following the calendar year of such Participant's death; or

(2) If the Annuity Starting Date is before the first Distribution Calendar Year, the life expectancy of such Designated Beneficiary determined using his age as of his birthday in the calendar year which contains the Annuity Starting Date.

(b) If a Participant dies before the date distribution of his entire vested interest in the Plan begins and there is no Designated Beneficiary as of September 30 of the year

following the year of such Participant's death, distribution of such Participant's entire vested interest in the Plan shall be completed by December 31 of the calendar year containing the fifth anniversary of such Participant's death.

(c) If a Participant dies before the date distribution of his entire vested interest in the Plan begins and his surviving spouse is the Participant's sole Designated Beneficiary, and such surviving spouse dies before distributions to such surviving spouse begin, this Section 6.5 shall apply as if such surviving spouse were the Participant, except that the time by which distributions must begin shall be determined without regard to Section 6.2(b)(1)).

#### 6.6 Life Expectancy.

For purposes of this Article VI, life expectancy shall be computed by use of the Single Life Table in Treasury Regulation Section 1.401(a)(9)-9.

#### 6.7 Definitions.

For purposes of this Article VI:

(a) "Annuity Starting Date" means: (1) The first day of the first period for which an amount is payable as an annuity or other distribution under the Plan; or (2) In the case of a benefit not payable in the form of an annuity, the first day on which all events have occurred which entitle the recipient to such benefit.

(b) "Designated Beneficiary" means the individual who is designated as the beneficiary under Section 1.9 of the Plan and is the "designated beneficiary" under Code Section 401(a)(9) and Treasury Regulation Section 1.401(a)(9)-4, Q&A-1.

(c) "Distribution Calendar Year" means a calendar year for which a minimum distribution is required under this Article VI. For distributions beginning before a Participant's death, the first Distribution Calendar Year shall be the calendar year immediately preceding the calendar year which contains his Required Beginning Date. For distributions beginning after a Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section 6.2(b).

(d) "Payment Intervals" means the periods for which payments are received, such as bi-monthly, monthly, semi-annually or annually.

(e) "Required Beginning Date" means, with respect to a Participant, April 1 of the calendar year following the later of (i) the calendar year in which such Participant attains age 70½ or (ii) the calendar year in which such Participant retires. The benefit of a Participant which does not commence by April 1 of the calendar year following the calendar year in which he attains age 70½ shall be actuarially increased for the period beginning April 1 of the calendar year following the calendar year in which he attains age 70½ and ending on the date after retirement that his benefits commence in an amount sufficient to satisfy the requirements of Section 401(a)(9) of the Code. The amount of actuarial increase payable as of the end of such period shall equal the Actuarial Equivalent of such Participant's pension benefit which would have been payable as of the date such actuarial increase must commence plus the Actuarial

Equivalent of additional benefits accrued after such date, and reduced by the Actuarial Equivalent of any benefits paid after such date.

**ARTICLE VII  
DISABILITY BENEFITS**

7.1 Eligibility for Disability Benefit.

A Participant who becomes Disabled and remains continuously Disabled for a period of at least 6 months shall be eligible for a disability benefit. The disability benefit shall commence after 6 months of disability and be payable monthly during the time the Participant is disabled and until the latest of the following shall occur:

- (a) The Participant's attainment of age 65;
- (b) The Participant's attainment of his Normal Retirement Date; or
- (c) Five years from the commencement of disability benefits.

During the period of disability, Credited Service for the Disabled Participant shall continue to accrue and no contributions under Article X shall be required from him.

7.2 Amount Disability Benefit.

The amount of the monthly disability benefit shall be 50% of the Participant's monthly Compensation immediately prior to the onset of disability, reduced by any amounts paid or payable to the Participant from the following sources:

- (a) Disability benefits under any plan sponsored by the Employer;
- (b) Any wages or salary paid to the Participant attributable to periods of time when the Participant is receiving benefits hereunder;
- (c) Retirement benefits under this or any other plan to which the Employer contributes; and
- (d) Disability benefits under the Social Security or Railroad Retirement Acts.

7.3 Maximum Disability Benefit.

In no instance shall the monthly disability benefit exceed \$2,000.

7.4 Determination of Eligibility for Disability Benefit.

The Pension Committee shall utilize such outside professional counsel as it deems necessary to assist it in determining the Participant's initial and continuing eligibility for benefits hereunder. The decision of the Pension Committee shall be final.

7.5 Normal Retirement Benefit after Disability.

The benefit payable at a Participant's Normal Retirement Date shall be determined in accordance with the provisions of Article IX.

## 7.6 Form of Disability Benefit.

Prior to the commencement of disability benefits to a Participant, he shall elect a form of payment option under Section 5.1 as if he were retiring and receiving a pension pursuant to Section 4.1. The election which he shall make shall also apply to any normal retirement benefits payable under the Plan after the cessation of his disability benefits if he does not return to active employment with the Employer following such cessation of his disability benefits; accordingly, the form of payment option elected by such a Participant under Section 5.1 may not thereafter be changed for any reason.

**ARTICLE VIII**  
**BENEFITS IN CASE OF DEATH**

8.1 Death Benefit for Vested Participants.

Upon receipt of proof, satisfactory to the Pension Committee of the death of a Participant prior to beginning retirement benefits under Article V and on or after the date he completed 10 or more years of Credited Service or 15 or more years of non-continuous Credited Service, the death benefit shall be as follows:

(a) **Survived by Spouse Only.** If the Participant is survived by a widow or a widower, the survivor shall be entitled to receive an annual benefit, payable in equal monthly installments, equal to 50% of the Participant's Average Final Compensation as of the date of his death. In the event the Participant had not completed 25 years of Credited Service to the date of his death, such benefit shall be reduced by 1.5% for each year of Credited Service less than 25 years (adjusted for completed months in excess of completed years). Furthermore, in the event the surviving widow or widower is more than 5 years younger, then the deceased Participant, such benefits shall be reduced by one sixth of 1% for each month his or her age is more than 5 years younger than the Participant's age. This death benefit shall be payable to the widow or widower for life.

(b) **Survived by Minor Children Only.** If the Participant is survived by one or more children but no widow or widower, then the annual death benefit shall be equal to 50% of the Participant's Average Final Compensation as of the date of this death, provided, however that in the event such Participant had not completed 25 years of Credited Service to the date of death, such benefits shall be reduced 1.5% for each year of Credited Service less than 25 years. This death benefit (one benefit per family) shall be payable monthly pro rata to those of such children who are under 21 years of age until the youngest child reaches age 21.

(c) **Survived by Spouse and Minor Children.**

(1) If the Participant is survived by a widow or widower and one or more children, then the annual death benefit shall be equal to 50% of the Participant's Average Final Compensation as of the date of death; provided, however that in the event such Participant had not completed 25 years of Credited Service to the date of death, such benefit shall be reduced by 1.5% for each year of Credited Service less than 25 years. This death benefit (one benefit per family) shall be paid monthly pro rata to those of such children who are under age 21 until the youngest child reaches age 21.

(2) When the youngest child reaches age 21 (or if all of such children under age 21 have died) then the widow or widower, if living, shall receive a death benefit equal to the annual benefit, payable in equal monthly installments, equal to 50% of the Participant's Average Final Compensation as of the date of his or her death. In the event the Participant had not completed 25 years of Credited Service to the date of death, such benefit shall be reduced by 1.5% for each year of Credited Service less than 25 years (adjusted for completed months in excess of completed years). This death benefit shall be payable to the widow or widower for life. Furthermore, in the event the widow or widower is more than 5 years younger than the



deceased Participant at the date of his death, then the benefits to the widow or widower shall be reduced by one sixth of 1% for each month his or her age was more than 5 years younger than the Participant's age.

#### 8.2 Death Benefit for Nonvested or Single Participants.

Upon receipt of proof satisfactory to the Pension Committee of the death of a Participant (i) whose employment has not been terminated and who has no surviving widow, widower or child eligible to receive the death benefits as set forth in Section 8.1 or has not completed 10 years of continuous Credited Service or 15 years of non-continuous Credited Service, or (ii) who has terminated employment and is entitled to a termination benefit, as defined in Article IX hereof, but is not receiving benefits, a death benefit equal to the amount of the Participant's contributions accumulated with Interest to his date of death shall be paid to his Designated Beneficiary.

#### 8.3 Minimum Death Benefit.

Upon cessation of monthly pension payments made in accordance with Section 8.1, any excess of the amount of the Participant's contributions accumulated with Interest to his date of death over the sum of the monthly pension payments previously made pursuant to Section 8.1 shall be paid in one sum to the Participant's Designated Beneficiary.

#### 8.4 Form of Death Benefit.

Upon receipt of proof satisfactory to the Pension Committee of the death of a Retiree, death benefits, if any, shall be determined under the Retirement Option elected in accordance with Article V.

## **ARTICLE IX VESTING**

### 9.1 Vesting Service.

Participants shall be fully vested after 10 years of continuous Credited Service or 15 years of non-continuous Credited Service. Benefits shall commence in accordance with the provisions of Articles III and IV.

### 9.2 Optional Benefit for Terminated Vested Participant.

At the time of termination or retirement, a vested Participant may elect a return of contributions with credited interest in full satisfaction of his claims against the Plan. Interest shall be calculated at the rate of 5% per annum through the date of his termination or retirement.

### 9.3 Benefit for Terminated Non-Vested Participant.

If the employment of a Participant shall be terminated otherwise than by retirement under Article IV, disability under Article VII or death under Article VIII, and before he is fully vested in accordance with Section 9.1, he shall be entitled only to receive his contributions accumulated with interest calculated at the rate of 5% per annum through the date of his termination.

## **ARTICLE X CONTRIBUTIONS**

### 10.1 Employee Contributions prior to July 1, 2017.

Each Employee eligible to participate or electing to participate as described in Section 2.2, excepting those who were eligible to participate as of July 1, 1966 and who have continually thereafter elected not to participate, shall be required, as a condition of employment, to make contributions to the Plan. The rate of contribution shall be 4% of the Participant's Compensation until July 14, 2017.

### 10.2 Employee Contributions on or after July 14, 2017.

Effective July 1, 2017, the contribution rate for Participants who were hired before July 14, 2017 shall be as follows:

- (a) 4% of such a Participant's Compensation from July 1, 2017 to July 13, 2017;
- (b) 5% of such a Participant's Compensation from July 14, 2017 to June 30, 2018.
- (c) 5.5% of such a Participant's Compensation from July 1, 2018 to June 30, 2019.
- (d) 6% such a Participant's Compensation from July 1, 2019 to June 30, 2020.

### 10.3 Employer Contributions.

The Employer shall be required to make such payments to the Plan as are necessary to fund the Plan in accordance with a recognized actuarial cost method and assumptions recommended by the Actuary.

### 10.4 Option of Participant to Withdraw Contributions upon Termination prior to Retirement.

A Participant whose employment terminates for any reason prior to his Retirement may withdraw all his Contributions plus Interest, if any, credited thereon by filing a written notice with the Pension Committee. Such withdrawal shall satisfy all claims the terminated Participant may have pursuant to the Plan and he shall not be entitled to any further benefits hereunder.

### 10.5 Restoration of Accrued Benefit.

The accrued pension attributable to a terminated Participant shall be restored if the Participant:

- (a) resumes employment with the Employer before the expiration of:

(1) in the case of lay-off or Approved Absence, one year or such other interval as was specified by the labor agreement under which the Participant was working at the time of his termination, or

(2) in the case of termination due to other non-voluntary causes, one year from the date of his termination; and

(b) repays to the Plan, within the first 12 months following his re-employment, the full amount of the total distributions received by him pursuant to Section 9.3, together with interest calculated at the rate of 5% from the date of distribution to the Participant, to the date of repayment to the Plan by him.

#### 10.6 “Pick-up” of Participant Contributions<sub>2</sub>

In accordance with Section 414(h)(2) of the Code, the Employer shall “pick up” the contributions required of Participants hereunder, such that the contributions so picked up shall be considered contributions of the Employer rather than Participant contributions under the Code, but only if, as to Participants represented by a particular Union, the pick-up of contributions has been agreed to in collective bargaining between the Town and such Union. Although such picked-up contributions are designated as Participant contributions, they shall be treated as being paid by the Employer in lieu of contributions by Participants. No Participant whose contributions are to be picked up pursuant to this Section 10.6 shall have the option of choosing to receive the contributed amounts directly instead of having them paid by the Employer to the Plan.

**ARTICLE XI  
ADMINISTRATION OF THE PLAN**

11.1 Plan Administration.

(a) The Plan shall be administered by the Pension Committee which shall be responsible for carrying out the provisions of the Plan. The Pension Committee shall consist of 4 members appointed by the Employer, and 3 members appointed by Employee bargaining units. The term of appointment for all Pension Committee members appointed by the Employer is 3 years.

(b) No person shall act as a member of the Pension Committee unless notice of his appointment had been given in writing by the appointing party to the Pension Committee and the other party. The Employer may at any time remove for cause a member of the Pension Committee appointed by it, by giving written notice of such action to the Pension Committee and the other party. Any member of the Pension Committee may resign by written notification of his resignation to the Pension Committee.

11.2 Meetings.

The Pension Committee shall hold meetings upon such notice at such time, and at such place, as it may determine subject to requirements under law. The Pension Committee shall meet at such time and for such periods for the transaction of necessary business as they may decide. All such meetings shall be at the determination of the Pension Committee. All bargaining units shall be provided adequate notice of all Pension Committee meetings.

11.3 Quorum.

To constitute a quorum for the transaction of business, the attendance of the majority of the members of the Pension Committee shall be required. Decisions of the Pension Committee shall be made only by the concurring vote of a majority of all of the members present.

11.4 Compensation.

No member of the Pension Committee shall receive any compensation for his services as such, but the Plan may reimburse any member for any necessary expenses incurred.

11.5 Construction of the Plan.

The Pension Committee shall from time to time establish rules for the administration of the Plan and the transaction of its business. Except as herein otherwise expressly provided, the Pension Committee shall have the exclusive right to interpret the Plan and to decide any matters arising thereunder in connection with the administration of the Plan. It shall endeavor to act by general rules so as not to discriminate in favor of any person.

## 11.6 Powers.

The Pension Committee shall have such powers as are necessary and proper for the administration of the Plan including, but not limited to the following:

(a) to promulgate and establish the rules, regulations and procedures dealing with applications for benefits, determination of eligibility, calculation of benefit amounts and authorization of benefit payments.

(b) to interpret and apply the various provisions of the Plan, which shall be final and binding on the Participants, Retirees and their beneficiaries.

(c) to request of the Town to employ an enrolled actuary for purposes of examining into the actuarial soundness of the Plan, assisting the parties in the establishment of pension benefits, and aid in determining specific questions of individual benefits.

(d) to request direction from the First Selectman or First Selectwoman, and on receipt of such direction in writing, the Pension Committee shall be entitled to rely and act thereon.

(e) to pay or authorize payment from the Pension Fund of all reasonable expenses of administering the Plan, including, but not limited to, all expenses which may be incurred in connection with the establishment of the Plan, the purchase or lease of such office space, materials, supplies and equipment, and the employment of such administrative, legal, expert, and clerical assistance as the Pension Committee, in its discretion, finds necessary or appropriate in the performance of its duties.

(f) to delegate any ministerial powers or duties to any agent or employee engaged by the Pension Committee, or to any employee of the Town, or to any one or more of the members thereof.

(g) to issue to any Participant upon his request a statement of his standing showing the amount of his Contributions, Credited Service and such other pertinent data as the Pension Committee deems proper.

(h) to hear and determine any claims or complaints relating to the administration of the Plan.

(i) to advise and inform the Employer as to the details of the administration of the Plan.

(j) to invest and reinvest the Pension Fund oversee the Pension Fund's investment performance by the Town's designated agent, and establish a funding policy and method with respect to the funding of the Plan subject to the written approval of the Board of Selectmen review that required Plan contributions have been made as scheduled. The Pension Committee shall meet at least annually to review such funding policy and method. All actions taken with respect to such finding policy and method and the reasons therefore shall be duly recorded in the minutes of the meeting of the Pension Committee.

(k) to issue directions to its agents as appointed by the Pension Committee as to the making of retirement benefit payments, refunds of contributions, and payment of the expense of administration of the Plan.

(l) the Pension Committee shall maintain accounts showing the fiscal transactions of the Plan, and shall keep in convenient form such data as may be necessary for determination of benefits and actuarial valuations of the assets and liabilities of the Plan.

(m) after considering the recommendations of the Actuary, the Pension Committee shall, from time to time, adopt actuarial tables to be used as the basis for all actuarial calculations. The Actuary shall, as an aid to the Pension Committee in connection with any amendment to Section 1.1 and in recommending the contributions payable by the Town to the Plan, make periodic actuarial valuations of the assets and liabilities of the Plan and shall certify to the Pension Committee the rates of contributions.

#### 11.7 Limitation of Liability; Indemnification.

(a) The Pension Committee and each individual member thereof shall be fully protected in acting upon any instrument, certificate, or paper believed by them to be genuine and to be signed or presented by the proper person or persons, and shall be under no duty to make any investigation or inquiry as to any statement contained in any such writing, but may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained. The Pension Committee shall be entitled to rely upon all tables, valuations, certificates and reports furnished by the Actuary; upon all certificates and reports made by any duly appointed advisors acting in the areas of their respective professional expertise; and upon all opinions, advice and certifications given by any duly appointed legal counsel. The Pension Committee and each member thereof shall be fully protected, to the extent permitted by law, against any action taken in good faith in reliance upon any such tables, valuations, certificates, reports, opinions or advices. All actions so taken shall be conclusive upon each of them and upon all persons having any interest under the Plan. No member of the Pension Committee shall be personally liable by virtue of any instrument executed by him or on his behalf as a member of the Pension Committee, or for any mistake or judgment made by himself or any other member thereof or for any neglect, omission or wrongdoing of any other member to the extent permitted by law. Each member of the Pension Committee shall be indemnified by the Plan against expenses reasonably incurred by him in connection with any action to which he may be a party by reason of his membership on the Pension Committee except in relation to matters as to which he shall be adjudged in such action to be liable for gross negligence or willful misconduct in the performance of his duty as a member of the Pension Committee. The foregoing right of indemnification shall be in addition to any other rights to which the Pension Committee may be entitled as a matter of law.

(b) The Pension Committee may from time to time consult with legal counsel and shall be fully protected in acting and relying upon advice of such counsel to the extent permitted by law.

(c) The costs and expenses of any action, suit or proceeding brought by or against the Pension Committee or any of the members thereof (including counsel fees) may be

paid from the Pension Fund, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding, that such member of the Pension Committee was acting in bad faith in the performance of his duties hereunder.

(d) The Pension Committee shall not be bound by any notice, direction, requisition, advice or request, unless and until it shall have been received by the Pension Committee.

(e) The Pension Committee may seek judicial protection by any action or proceeding it may deem necessary to settle its accounts, or to obtain a judicial determination or declaratory judgment as to any question of construction of the Plan or instructions as to any action thereunder.

(f) No person, partnership, corporation or association dealing with the Pension Committee shall be obliged to see to the application of any funds, securities or other property paid or delivered to the Pension Committee as a purchase price or otherwise, or to see that the terms of the Plan have been complied with, or be obliged to inquire into the authority of the Pension Committee, and every instrument effected by the Pension Committee shall be conclusive in favor of any person, partnership, corporation or association relying thereon that:

(1) at the time of the delivery of said instrument the Plan was in full force and effect;

(2) said instrument was effected in accordance with the terms and conditions of the Plan; and

(3) the Pension Committee was duly authorized and empowered to execute such instrument.

#### 11.8 Claims Procedures.

Upon the Pension Committee's receipt of a written request for benefits under the Plan as filed by a Participant (or claimant who is a surviving spouse or Joint Annuitant or Designated Beneficiary) on a form furnished for that purpose, the Pension Committee shall act thereon in accordance with the following:

(a) In the event the Pension Committee approves the request, the Participant (or claimant) shall be so notified within a period not to exceed 90 days from the date of the Participant's (or claimant's-) filing of the request;

(b) In the event the Pension Committee denies the request, in whole or in part, the Participant (or claimant) shall be so notified by the Pension Committee within a period not to exceed 90 days from the date of the filing of the request by the Participant (or claimant). The notice of denial by the Pension Committee shall set forth the reasons for the denial of the request citing:

(1) the pertinent provisions of the Plan and/or



(2) any interpretation or rule adopted or relied upon by the Pension Committee in making its decision, and/or

(3) a description of any additional material or reason required in connection with the request and the reasons therefore, and/or

(4) the right of the Participant (or claimant) to inspect Plan documents pertinent to the request, and/or

(5) a description of the steps which may be taken by the Participant (or claimant) to obtain a review of the denial.

#### 11.9 Authority of Pension Committee.

All decisions of the Pension Committee, including all those made in the interpretation and administration of the Plan, shall be conclusive, final and binding upon all Participants, Retirees and beneficiaries. No Participant, Retiree or other person shall have or acquire any right, title or interest in or to the Pension Fund or any portion of the Pension Fund, except by the actual payment or distribution of a portion of the Pension Fund to him under the provisions of the Plan. Any action to stay, confirm, set aside or modify a decision hereunder shall be brought in the State of Connecticut.

**ARTICLE XII  
PENSION FUND**

12.1 Trust Fund.

All assets for providing the benefits of the Plan shall be held in trust by the Trustee or its agents in the Pension Fund in accordance with the Plan and the trust agreement with the Trustee, for the exclusive benefit of Participants and beneficiaries under the Plan. No part of the corpus or income shall be used for, or diverted to, purposes other than for the exclusive benefit of Participants and beneficiaries under the Plan prior to the satisfaction of all liabilities with respect to the Participants and their beneficiaries and no Participant or beneficiary under the Plan, nor any other person, shall have any interest or right to any part of the earnings of the Pension Fund, or any rights in, to or under the Pension Fund or any part of its assets, except to the extent required by law or the provisions of the Plan.

12.2 Disbursement.

The Pension Committee shall determine the manner in which the Pension Fund shall be disbursed in accordance with the Plan, including the form of voucher or warrant to be used in making disbursements and the qualifications of persons authorized to make disbursements of the Pension Fund.

**ARTICLE XIII  
AMENDMENT, TERMINATION, LIMITATIONS AND MERGER**

13.1 Amendment.

Only upon previously written direction from the Town, or to the extent required by any applicable statute, may the Pension Committee revoke, modify, alter or amend this Plan, provided however, that the Pension Committee shall not be required to adopt any amendment which would conflict with any applicable state or federal legislation or regulation. No amendment shall increase the duties or responsibilities of the Pension Committee without their consent thereto in writing. No amendment shall have the effect of revesting the Employer, in whole or in part, with any of the assets of the Plan or of diverting any part of the assets to purposes other than for the exclusive benefit of the Participants, Joint Annuitants, Spouses, and designated beneficiaries at any time prior to the satisfaction of all the liabilities under the Plan with respect to such persons. No amendment shall reduce the amount of, or restrict the payment of, vested benefits accrued hereunder prior to the effective date of such amendment, and for this purpose only, vested benefits accrued as of such date shall be deemed to be those payable from the Pension Fund as then constituted in the event each Participant terminated his employment on the day immediately preceding the effective date of the amendment.

13.2 Termination of Plan.

The Plan is voluntary on the part of the Employer. The Employer reserves the right to terminate the Plan, and to suspend, reduce or discontinue contributions at any time. Upon termination of the Plan, or upon the complete discontinuance of contributions, the accrued benefits of Participants to the date of such termination or discontinuance shall be nonforfeitable to the extent then funded.

13.3 Distributions upon Plan Termination.

In the event of the termination or partial termination of the Plan, the Pension Committee, after reserving an amount sufficient to pay all expenses of the Plan, shall allocate all assets of the Plan or their proceeds in order of preference as hereinafter set forth (but only to the extent that an individual's pension benefit is not fully funded):

- First:           The portion derived from a Participant's own contributions, with Interest (if any).
- Second:        In the case of the pension benefit of a Participant or Joint Annuitant, or surviving spouse, or Designated Beneficiary which was in pay status as of the date of such termination or partial termination.
- Third:          To provide benefits to Participants who were eligible to retire in accordance with Article III hereof as of the date of such termination or partial termination.
- Fourth:         To all other vested pension benefits (if any) under the Plan.

Fifth: To all other nonforfeitable pension benefits under the Plan.

If the assets in the Pension Fund applicable to any of the categories listed above are insufficient to provide for all persons listed in such categories, then the assets shall be allocated among those persons in the last category to which assets are available in the same proportion which the present value, as determined by the Actuary, of each person's benefit bears to the present value of all benefits attributable to that category.

#### 13.4 Enforceability.

If any provision of the Plan is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof; and the Plan shall be construed and enforced as if such invalid or unenforceable provisions had not been included.

#### 13.5 No Employment Rights.

The Employer, in establishing and maintaining this Plan, assumes no responsibility or liability for continued employment of the Participants hereunder. In the event of any denial of benefits hereunder the Employer shall be held blameless.

**ARTICLE XIV  
RETIREE MEDICAL EXPENSES**

14.1 Effective Date.

This Article XIV shall apply to Medical Expenses incurred on or after the date specified by resolution of the Pension Board for implementation of this Article XIV.

14.2 Payment of Retiree Medical Expenses.

The Plan may provide for the payment of any or all Medical Expenses of Retirees and their covered spouses and covered dependent children in accordance with Code Section 401(h). Payments shall occur within a reasonable time after a Claimant has submitted a claim for payment under the Medical Plan.

14.3 Separate Account.

A separate account shall be established and maintained under the Plan with respect to contributions to fund Medical Expenses under the arrangement set forth in this Article XIV. Such contributions shall come from the Employer and from Retirees and covered spouses and covered dependent children, as specified in Section 4.5. Such separate account shall be for recordkeeping purposes only, and the Trust Funds allocated to such account need not be separately invested. The Employer's contributions to such separate account shall be reasonable and ascertainable and at the time a contribution to the Plan is made by the Employer, the Employer shall designate that portion of such contribution which is allocable to the funding of Medical Expenses. The aggregate actual contributions to the Plan for Medical Expenses shall not exceed 25% of the total actual contributions to the Plan (other than contributions to fund past service credits) after the date this Article XIV is implemented. It shall be impossible, at any time prior to the satisfaction of all liabilities under the Plan to provide Medical Expenses, for any part of the principal or income of such separate account to be (within the taxable year or thereafter) used for, or diverted to, any purpose other than the providing of Medical Expenses. Notwithstanding the provisions of Section 401(h)(2) of the Code, upon the satisfaction of all liabilities under the Plan to provide Medical Expenses, any amount remaining in such separate account shall be returned to the Employer.

14.4 Key Employee.

In the case of a Retiree who is a "key employee" within the meaning of Section 416(i) of the Code at any time during the Plan Year or any preceding Plan Year during which contributions were made by the Employer on behalf of him or his covered spouse and covered dependent children, if any, a separate account shall be established and maintained for Medical Expenses payable to him (and his covered spouse and covered dependent children, if any) and such benefits (to the extent attributable to Plan Years beginning after March 31, 1984, for which such Retiree is a "key employee") shall only be payable to or on behalf of such Retiree (and his covered spouse and covered dependent children, if any) from such separate account.

#### 14.5 Co-Ordination with other Coverage.

If Medical Expenses are paid from other sources as well as from the Plan, the benefits payable from the Plan shall be paid before any other sources are used.

#### 14.6 Use of Forfeitures.

In the event an individual's interest in such separate account shall be forfeited prior to the termination of the Plan, an amount equal to the amount of such forfeiture shall be applied as soon as possible to reduce the Employer's contributions to the Plan to fund Medical Expenses.

#### 14.7 Excess Pension Assets.

There may be transferred to the separate account referred in Section 134.3 "excess pension assets" of the Plan, within the meaning of Section 420(e)(2) of the Code, subject to the following provisions:

- (a) Only one transfer may be made in a taxable year of the Employer.
- (b) The amount transferred shall not exceed the amount which is reasonably estimated to be the amount the Employer shall pay out (whether directly or through reimbursement) of such separate account during the taxable year of the transfer for "qualified current retiree health liabilities," within the meaning of Code Section 420(e)(1).
- (c) No such transfer shall be made after December 31, 2013.
- (d) Any assets transferred, and any income allocable to such assets, shall be used only to pay "qualified current retiree health liabilities" for the taxable year of transfer.
- (e) Any amounts transferred to such separate account (and income attributable to such amounts) which are not used to pay "qualified current retiree health liabilities" shall be transferred back to the defined benefit portion of the Plan.
- (f) Amounts paid out of such separate account shall be treated as paid first out of transferred assets and income attributable to such assets.
- (g) The accrued pension benefits for Participants and beneficiaries of the Plan shall become nonforfeitable as if the Plan had terminated immediately prior to the transfer (or in the case of a Participant who separated during the one-year period ending on the date of transfer immediately before such separation).
- (h) A transfer shall be permitted only if the Medical Plan provides that the "applicable employer cost" for each taxable year during the "cost maintenance period" shall not be less than the higher of the "applicable employer costs" for each of the 2 taxable years immediately preceding the taxable year of the "qualified transfer" within the meaning of Code Section 420(b)(1). For purposes of the preceding sentence:

(1) The term “applicable employer cost” means, with respect to any taxable year, the amount determined by dividing

(i) The “qualified current retiree health liabilities” {within the meaning of Code Section 420(e)(1)(A) of the Employer for such taxable year determined (I) without regard to any reduction under Code Section 420 (e)(1)(B), and (II) in the case of a taxable year in which there was no “qualified transfer,” in the same manner as if there had been such a transfer at the end of the taxable year,

by

(ii) The number of individuals to whom coverage for “applicable health benefits” within the meaning of Code Section 420(e)(1)(C) was provided during such taxable year.

(2) The term “cost maintenance period” means the period of 5 taxable years beginning with the taxable year in which the “qualified transfer” occurs. If a taxable year is in 2 or more overlapping “cost maintenance periods,” the preceding sentence shall be applied by taking into account the highest “applicable employer cost” required to be taken into account for purposes of the first sentence of Section 14.7(h) for such taxable year.

(i) The requirements of Code Section 420(c)(3) shall be satisfied separately with respect to individuals eligible for benefits under Title XVIII of the Social Security Act at any time during the taxable year and with respect to individuals not so eligible.

(j) Transferred assets may not be used to provide Medical Expenses for “key employees” and their covered spouses and covered Dependents, if any.

#### 14.8 Definitions.

As used in this Article XIV, the following terms shall have the meanings indicated:

(a) “Claimant” means a Retiree, or his covered spouse or covered dependent child, who has submitted a claim for benefits under the Medical Plan.

(b) “Medical Expense” means an expense which is payable under the Medical Plan and which is an expense for “medical care” under Code Section 213(d)(1).

(c) “Medical Plan” means, collectively, the plan or plans maintained by Town pursuant to which Retirees and their covered spouses and dependents receive medical, dental and prescription drug benefits.

#### 14.9 Annual Limitations.

For any Limitation Year, the Annual Additions on behalf of any Participant shall not exceed, in the aggregate, the lesser of (i) 100% of such Participant’s Compensation for such Limitation Year; or (ii) \$40,000 subject to cost-of-living adjustments under Section 415(d)(1)(C)

of the Code. The term “Annual Addition” shall mean, for purposes of this Section 134.9, the sum of the following:

(a) Employer contributions allocable to such Participant for such Limitation Year under any qualified defined contribution plan maintained by the Employer;

(b) Forfeitures, if any, allocable to such person for such Limitation Year under any qualified defined contribution plan maintained by the Employer;

(c) Such person’s voluntary non-deductible contributions under any other qualified plan of the Employer for such Limitation Year;

(d) Amounts allocated, after March 31, 1984, to an individual medical account, as defined in Section 415(1)(2) of the Code, which is part of a pension or annuity plan maintained by the Employer; and

(e) Amounts derived from contributions paid or accrued after December 31, 1985, in taxable years ending after said date, which are attributable to post-retirement medical benefits allocated to the separate account of such Participant, under a welfare benefit fund, as defined in Section 419(e) of the Code, maintained by the Employer.

The term “Compensation,” for purposes of this Section 14.9, shall mean “Compensation” within the meaning of Section 1.6(b) of the Plan.



**ARTICLE XV  
MISCELLANEOUS**

15.1 Alienation.

No benefit payable under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, alienating, selling, transferring, assigning, pledging, encumbering, or charging the same shall be void and of no effect; nor shall any benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the person entitled to such benefit, except as specifically provided by law or by specific provision in the Plan.

15.2 Participant Bankruptcy.

If any Participant or beneficiary under the Plan shall become bankrupt or attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit, except as specifically provided in the Plan, then such benefit shall, in the discretion of the Pension Committee, cease and terminate. In the event, the Pension Committee shall hold or apply the benefit thereof to or for such Participant or beneficiary, his spouse, children, or other dependents, or any of them, in such manner and in such proportions as the Pension Committee shall in its sole discretion determine.

15.3 Participant's Rights.

The establishment of the Plan shall not be construed as conferring any rights upon any Employee or any person for a continuation of employment, and shall not be construed as limiting in any way the right of the Employer to discharge any Employee or to treat him without regard to the effect which such treatment might have upon him as a Participant of the Plan.

15.4 Distribution for Minor Beneficiary.

If any person entitled to receive any benefits from the Fund is, in the judgment of the Pension Committee legally, physically, or mentally incapable of personally receiving and receipting for any distribution, the Pension Committee may make distribution to such other person, persons, or institutions as, in the judgment of the Pension Committee, are then maintaining or have custody of such distributee.

15.5 Conclusive Determination.

The determination of the Pension Committee as to the identity of the proper payee of any benefit under the Plan and the amount of such benefit properly payable shall be conclusive, and payment, in accordance with such determination, shall constitute a complete discharge of all obligations on account of such benefit.

15.6 Location of Beneficiary Unknown.

In the event any amount shall become payable from the Fund to a Designated Beneficiary or the executor or administrator of any deceased person and if after written notice from the

Pension Committee mailed to such person's last known address, such person or such executor or administrator shall not have presented himself to the Pension Committee within 7 years after the mailing of such notice, the Pension Committee may direct that such benefit is canceled.

#### 15.7 Status of Former Participant Upon Rehire.

Except as otherwise provided in this Plan, if any Employee whose employment had previously terminated is restored to active service as an Employee, he shall be treated as any other newly employed person.

#### 15.8 Suspension of Benefit Payments upon Rehire.

Any Retiree who is receiving pension benefit payments who again becomes an Employee of the Town eligible under the Plan shall have his pension benefit payments automatically suspended during such period of employment. No Participant shall be eligible for any pension benefit payment other than the death or disability benefits while in the employ of the Employer.

#### 15.9 Governing Law.

This Plan shall be construed according to the laws of the State of Connecticut.

The foregoing executed this \_\_\_\_\_ day of \_\_\_\_\_, 2019 constitutes the Retirement Plan for Municipal Employees of the Town of Westport, Connecticut as amended and restated effective July 1, 2017 and except as the parties mutually agree shall continue in full force and effect without change, modification or reopening of any kind through June 30, 2020.

\_\_\_\_\_  
Jim Marpe  
First Selectman

\_\_\_\_\_  
Ralph Chetcuti  
Personnel/Human Resources Director

The above and foregoing is a true and attested copy of the RETIREMENT PLAN FOR MUNICIPAL EMPLOYEES OF THE TOWN OF WESTPORT as amended and restated effective July 1, 2017, and except as the parties may mutually agree shall continue in full force and effect without change, modification or reopening of any kind through June 30, 2020.

Attest: \_\_\_\_\_  
Patricia Strauss  
Town Clerk