

**OKLAHOMA MUNICIPAL RETIREMENT FUND
MASTER DEFINED BENEFIT PLAN**

**OKLAHOMA MUNICIPAL RETIREMENT FUND
MASTER DEFINED BENEFIT PLAN**

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I. Purpose and Organization.....	I-1
1.1 Purpose.....	I-1
1.2 Parties.....	I-1
ARTICLE II. Definitions and Construction.....	II-1
2.1 Definitions.....	II-1
(a) Accrued Pension	II-1
(b) Actuarial Equivalent	II-1
(c) Adjustment Factor	II-1
(d) Authorized Agent.....	II-1
(e) Authorized Leave of Absence	II-1
(f) Average Monthly Compensation	II-1
(g) Beneficiary	II-2
(h) Break in Service.....	II-2
(i) City Council.....	II-2
(j) Code	II-2
(k) Committee	II-2
(l) Compensation	II-2
(m) Contribution Accumulation.....	II-3
(n) Death Benefit.....	II-3
(o) Deferred Vested Pension.....	II-3
(p) Disability	II-3
(q) Disability Pension	II-3
(r) Early Pension.....	II-3
(s) Effective Date	II-3
(t) Employer	II-3
(u) Employment Commencement Date	II-4
(v) Fund	II-4
(w) Joinder Agreement.....	II-4
(x) Leased Employee.....	II-4
(y) Limitation Compensation.....	II-4
(z) Municipality	II-4
(aa) Normal Pension	II-4
(bb) Normal Retirement Date	II-4
(cc) Oklahoma Municipal Retirement Fund	II-4
(dd) Participant.....	II-5
(ee) Pension	II-5
(ff) Plan.....	II-5
(gg) Plan Administrator	II-5
(hh) Plan Year	II-5

(ii) Previous Plan	II-5
(jj) Retirement	II-5
(kk) Service	II-5
(ll) Severance Benefit	II-6
(mm) Spouse	II-6
(nn) Trust Service Provider	II-6
(oo) Trustee	II-6
(pp) U. S. Consumer Price Index	II-6
(qq) Year of Service	II-7
2.2 Construction	II-7
ARTICLE III. Contributions	III-1
3.1 Eligibility	III-1
3.2 Contributions by Employer	III-1
3.3 Contributions by Employees	III-1
3.4 Pick-up Contributions	III-2
3.5 Transfer of Contributions	III-3
ARTICLE IV. Requirements for Retirement Benefits	IV-1
4.1 Normal Pension	IV-1
4.2 Early Pension	IV-1
4.3 Disability Pension	IV-1
4.4 Deferred Vested Pension	IV-2
4.5 Pensions for Former Employees	IV-2
4.6 Termination of Employment - Vesting of Benefits	IV-3
ARTICLE V. Amount of Retirement Benefits	V-1
5.1 Normal Pension	V-1
5.2 Early Pension	V-1
5.3 Disability Pension	V-2
5.4 Deferred Vested Pension	V-2
5.5 Accrued Credits and Vested Benefits Preserved	V-2
ARTICLE VI. Severance and Death Benefits	VI-1
6.1 Severance Benefit	VI-1
6.2 Death Prior to Commencement of Pension	VI-1
6.3 Death After Commencement of Pension	VI-2
6.4 Spouse's Pension	VI-3
6.5 Designation of Beneficiary	VI-4
6.6 Severance of Death Benefits for Former Employees	VI-5
ARTICLE VII. Optional Retirement Benefits	VII-1
7.1 Joint and Survivor Options	VII-1
7.2 Other Forms of Payment	VII-1
7.3 Restrictions on Optional Forms	VII-2
7.4 Other Benefits Canceled by Option	VII-3
7.5 Options by Former Employee	VII-3

7.6	Rollover to Another Plan or IRA	VII-3
7.7	Minimum Distribution Requirements	VII-4
ARTICLE VIII. Employment Transfers		VIII-1
8.1	Transfers From This Plan.....	VIII-1
8.2	Transfers to This Plan	VIII-1
8.3	Notice of Transfers	VIII-2
ARTICLE IX. Administration		IX-1
9.1	Administration	IX-1
9.2	Bonds	IX-4
9.3	Benefit Payments	IX-4
9.4	Abandonment of Benefits	IX-4
9.5	Benefits Payable to Incompetents	IX-4
ARTICLE X. Limitations		X-1
10.1	Loss of Benefits for Cause.....	X-1
10.2	Annual Benefit - General	X-1
10.3	Limitation on Benefits	X-1
10.4	Definitions.....	X-2
10.5	Predecessor Employer.....	X-9
10.6	Severance from Employment.....	X-9
10.7	Year of Participation	X-9
10.8	Year of Service	X-9
10.9	Other Rules:	X-9
10.10	Participant Limitation Applicable to Deferred Contribution Option.....	X-11
10.11	Re-employment of Former Employees.....	X-11
10.12	Re-employment of Retired Employees.....	X-11
10.13	Buyback of Service	X-11
ARTICLE XI. Guarantees and Liabilities		XI-1
11.1	Non-Guarantee of Employment.....	XI-1
11.2	Rights to Fund Assets	XI-1
11.3	Non-Alienation of Benefits.....	XI-1
11.4	Disclaimer of Liability	XI-1
11.5	Indemnification of Trustees	XI-1
11.6	Payments Under a Qualified Domestic Relations Order:	XI-1
ARTICLE XII. Amendments.....		XII-1
12.1	Right to Amend.....	XII-1
12.2	Amendments	XII-1
12.3	Authority of Volume Submitter Practitioner to Amend for Adopting Employers	XII-1
ARTICLE XIII. Termination		XIII-1
13.1	Right to Terminate	XIII-1
13.2	Liquidation of Fund	XIII-1
13.3	Manner of Distribution	XIII-2

13.4	Consolidation or Merger	XIII-2
13.5	Limitations	XIII-2
ARTICLE XIV. General		XIV-1
14.1	Not Contract Between Employer and Participant	XIV-1
14.2	Payment of Fees	XIV-1
14.3	Governing Law	XIV-1
14.4	Counterpart Execution	XIV-1
14.5	Severability	XIV-1
14.6	Number and Gender	XIV-1
14.7	Compensation and Expenses of Administration	XIV-1
14.8	Incorporation of Trust Agreement	XIV-1
14.9	Mistake of Fact	XIV-2

ADDENDUM NUMBER ONE: FOR PENSION PROTECTION ACT, HEART ACT, WORKER, RETIREE, AND EMPLOYER RECOVERY ACT, AND OTHER LAW CHANGES

APPENDIX I

ARTICLE I.

Purpose and Organization

1.1 **Purpose:** The purpose of this Plan is to encourage the loyalty and continuity of service of the Participants, to provide retirement benefits for all eligible Employees of the Employer, as hereinafter defined, who complete a period of faithful service and become eligible hereunder, and to qualify the Plan under Sections 401(a) and 501(a) of the Code by meeting the requirements of Code Section 414(d). The benefits provided by this Plan will be paid from a Fund established by the Employer and will be in addition to the benefits Employees are entitled to receive under any other programs of the Employer and from the Federal Social Security Act.

This Plan and the separate related Fund forming a part hereof are established and shall be maintained for the exclusive benefit of the eligible Employees of the Employer and their Beneficiaries.

To the extent this Plan is a governmental retiree benefit plan under Section 401(a)(24) of the Code, and prior to the termination of the Plan and satisfaction of all liabilities of the Plan, no part of the corpus or income of the Fund shall be used for, or diverted to, purposes other than for the exclusive benefit of the Plan participants and their beneficiaries.

1.2 **Parties:** The Oklahoma Municipal Retirement Fund hereby adopts and establishes this Plan for the benefit of Employees of those Employers, as defined herein, formed, chartered or incorporated under the laws of the State of Oklahoma, who wish to adopt it by executing a Joinder Agreement which incorporates this Plan by reference.

ARTICLE II.

Definitions and Construction

2.1 **Definitions:** Where the following words and phrases appear in this Plan, they shall have the respective meanings set forth below, unless their context clearly indicates to the contrary:

(a) **Accrued Pension:** The Pension (other than a Disability Pension) determined under the Plan expressed in the form of a monthly benefit commencing at Normal Retirement Date (or date of determination in the case of a Late Pension), which an Employee has accrued at any time under the provisions of the Plan, regardless of his vested status, determined as if he had then terminated employment.

(b) **Actuarial Equivalent:** Equality in value of the aggregate amounts expected to be received under different forms of payment. Except as otherwise specifically noted, the determination of such equality will be based on the use of the 1983 Group Annuity Table and 7½% interest. For purposes of determining the benefit limitations under § 415(b)(2)(B), (C), or (D) of the Internal Revenue Code as set forth in Section 10.2 of the Plan the applicable mortality table for annuity starting dates prior to December 31, 2002 is set forth in Rev. Rul. 95-6. 1995-1 C.B. 80, and for annuity starting dates on or after December 31, 2002 is set forth in Rev. Rul. 2001-62, 2001-53, I.R.B. 632.

(c) **Adjustment Factor:** The words “Adjustment Factor” shall mean the cost of living adjustment factor prescribed by the Secretary of the Treasury under Section 415(d) of the Code for years beginning after December 31, 1987, as applied to such items and in such manner as the Secretary shall provide.

(d) **Authorized Agent:** The City Clerk of the Employer or such other person designated by the Employer to carry out the efficient operation of the Plan at the local level.

(e) **Authorized Leave of Absence:** Any absence authorized by the Employer under the Employer’s standard personnel practices applied to all persons under similar circumstances in a uniform manner, including any required military service during which a Participant’s re-employment rights are protected by law; provided that he resumes employment with the Employer within the applicable time period established by the Employer or by law. Notwithstanding any provision of this Plan to the contrary, effective December 12, 1994, contributions, benefits and service credit with respect to qualified military leave will be provided in accordance with Section 414(u) of the Code.

(f) **Average Monthly Compensation:** The result obtained by dividing the total Compensation paid to an Employee during a considered period by the number of months, including fractional months, for which such Compensation was received. The considered period shall be the number of consecutive months selected in Joinder Agreement within the last one hundred twenty (120) months of service which yield the highest average Compensation. For purposes of determining consecutive months, periods of credited service shall be bridged, if interrupted with non-credited periods under an Authorized Leave of Absence. If an Employee has less than the number of months of consecutive employment service selected in the Joinder

Agreement, the Employee's actual consecutive months shall be the basis for calculating the Employee's Average Monthly Compensation hereunder.

(g) Beneficiary: Any person or entity designated or deemed designated by a Participant as provided in Section 6.5 hereof.

(h) Break in Service: The expiration of ninety (90) days from the date the Participant last performed Service for the Employer for which such Participant was entitled to wages as defined in Section 3121(a) of the Code, unless the Participant is on Authorized Leave of Absence. If an Employee does not resume employment with the Employer upon the expiration of an Authorized Leave of Absence, the Participant will be deemed to be absent from work on the first day of his Authorized Leave of Absence for purposes of determining if the Participant has a Break in Service.

(i) City Council: The City Council (or Board of Trustees) of the Employer or other duly qualified and acting governing authority of the Employer.

(j) Code: The Internal Revenue Code of 1986, as amended from time to time.

(k) Committee: The City Council of the Municipality, which shall act as the Plan Administrator of the Plan as provided for under Article IX hereof.

(l) Compensation: Compensation means wages for federal income tax withholding purposes, as defined under Code §3401(a), plus all other payments to an Employee in the course of the Employer's trade or business, for which the Employer must furnish the Employee a written statement under Code §§6041, 6051 and 6052, but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or services performed (such as the exception for agricultural labor in Code §3401(a)(2)). The Employer in its Joinder Agreement may specify modifications to the definition of Compensation, for purposes of contribution allocations under the Plan. For purposes of determining an Employee's compensation, any election by such Employee to reduce his regular cash remuneration under Code Sections 125, 402(e)(3), 414(h), 402(h), 403(b), 457(b) or 132(f) shall be disregarded.

(1) **Limitations.** Notwithstanding anything herein to the contrary, for Plan Years commencing after December 31, 1988 and before January 1, 1994, the annual Compensation of each Participant taken into account under the Plan for any Plan Year shall not exceed \$200,000, as adjusted by the Secretary at the same time and in the same manner as under Section 415(d) of the Code except that the dollar increase in effect on January 1 of any calendar year is effective for Plan Years beginning in such calendar year and the first adjustment to the \$200,000 limitation is effective on January 1, 1990. For years beginning on or after January 1, 1994, the annual compensation limit of each Participant taken into account for determining all benefits provided under the Plan for any determination period shall not exceed \$150,000, as adjusted for the cost-of-living in accordance with section 401(a)(17)(B) of the Internal Revenue Code. The cost-of-living adjustment in effect for a calendar year applies to any determination period beginning in such calendar year. If a determination period consists of fewer than 12 months, the OBRA '93 annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is 12.

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. Annual Compensation means Compensation during the Plan Year or such other consecutive 12-month period over which Compensation is otherwise determined under the Plan (the determination period). For purposes of determining benefit accruals in a Plan Year beginning after December 31, 2001, Compensation for any prior determination period shall be \$200,000. The \$200,000 limit on annual Compensation 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.

If Compensation for any prior determination period is taken into account in determining an employee's benefits accruing in the current Plan Year, the Compensation for that prior determination period is subject to the applicable annual compensation limit in effect for that prior determination period.

For limitation years beginning on and after January 1, 2001, for purposes of applying the limitations described in this Subsection 2.1(l), Compensation paid or made available during such limitation years shall include elective amounts that are not includible in the gross income of the Employee by reason of Section 132(f)(4) of the Code.

(m) Contribution Accumulation: The Employee's aggregate contributions, plus interest thereon accrued at the rate determined by the Trustee, compounded according to uniform rules adopted by the Trustees. Prior to January 1, 1983 the interest rate for crediting interest was three and one-half percent (3½%) per annum. In the event that the Employer has elected the Defined Contribution Option in Section 12 of the Joinder Agreement, then, as of the effective date of such election, the interest rate for determining the investment earnings on such amounts contributed under such option shall be equal to the rate earned by the Fund.

(n) Death Benefit: The pension benefit described in Section 6.2 herein.

(o) Deferred Vested Pension: The pension benefit described in Sections 4.4 and 5.4 herein.

(p) Disability: A physical or mental condition which, in the judgment of the Committee, totally and presumably permanently prevents an Employee from engaging in any substantial gainful employment with the Employer. A determination of such disability shall be based upon competent medical evidence.

(q) Disability Pension: The pension benefit described in Sections 4.3 and 5.3 herein.

(r) Early Pension: The pension benefit described in Sections 4.2 and 5.2 herein.

(s) Effective Date: The later of (i) the date specified in the Joinder Agreement, or (ii) the first day on which the Plan has a Participant.

(t) Employer: A Municipality chartered, incorporated or formed under the laws of the State of Oklahoma which executes the Joinder Agreement.

(u) Employment Commencement Date: The date on which the Employee's employment with the Employer began.

(v) Fund: The fund established to provide the benefits under the Plan for the exclusive benefit of the employees included in the Plan, and which will be pooled with similar funds of other incorporated cities and towns of Oklahoma as a part of Oklahoma Municipal Retirement Fund, for purposes of pooled management and investment.

(w) Joinder Agreement: The agreement by which the Employer adopts this Plan and Fund as its Plan and Fund.

(x) Leased Employee: Any person (other than an employee of the recipient) who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with Section 414(n)(6) of the Code) on a substantially full time basis for a period of at least one year, and such services are performed under primary direction or control by the recipient. Contributions or benefits provided a leased employee by the leasing organization which are attributable to services performed for the recipient employer shall be treated as provided by the recipient employer.

A leased employee shall not be considered an employee of the recipient if: (I) such employee is covered by a money purchase pension plan providing: (1) a nonintegrated employer contribution rate of at least 10% of compensation, as defined in Section 415(c)(3) of the Code, but including amounts contributed pursuant to a salary reduction agreement which are excludable from the employee's gross income under Section 125, Section 402(e)(3), Section 402(h)(1)(B) or Section 403(b) of the Code, (2) immediate participation, and (3) full and immediate vesting; and (ii) leased employees do not constitute more than 20% of the recipient's nonhighly compensated work force.

(y) Limitation Compensation: Compensation as defined in Section 10.4(b) hereof.

(z) Municipality: (1) each and every incorporated municipality in the State of Oklahoma; (2) public trusts having municipalities as Beneficiaries; (3) interlocal cooperatives created pursuant to 74 Oklahoma Statutes, Sections 1001, et seq., between municipalities and/or their public trust, and; (4) any other legal entity comprising a municipal authority as that term is used in Chapter 48 of Title 11 Oklahoma Statutes, which has adopted the Plan and/or which has become a Participant in the related trust according to the terms hereof.

(aa) Normal Pension: The pension benefit described in Sections 4.1 and 5.1 herein.

(bb) Normal Retirement Date: The later of (i) the Effective Date, or (ii) the first day of the month coincident with or next following the later of the Normal Retirement Age as designated in the Joinder Agreement, Section 7C, and (iii) the date he has satisfied the vesting requirements specified in the Joinder Agreement to become 100% vested.

(cc) Oklahoma Municipal Retirement Fund: The trust created in accordance with Sections 48-101 et seq. of Title 11, Oklahoma Statutes 1981, to combine pension and retirement funds in incorporated cities and towns of Oklahoma for purposes of management and investment, represented by and acting through its Board of Trustees.

(dd) Participant: Any Employee or former Employee who meets the eligibility requirements and is covered under the Plan.

(ee) Pension: A series of monthly amounts which are payable to a person who is entitled to receive benefits under the Plan.

(ff) Plan: The Oklahoma Municipal Retirement Fund Master Defined Benefit Plan set forth herein, and all subsequent amendments.

(gg) Plan Administrator: The persons who administer the Plan pursuant to the provisions of Article IX hereof.

(hh) Plan Year: The twelve (12) consecutive month period ending June 30th of each year. The initial or final Plan Year may be less than a twelve (12) consecutive month period.

(ii) Previous Plan: The terms and provisions in the prior instruments governing the Employer's qualified defined benefit retirement plan and related trust, and applying before the Effective Date hereof, or any other date expressly specified herein if different from the Effective Date, which prior instruments are amended, restated and superseded by this instrument.

(jj) Retirement: Termination of employment after an Employee has fulfilled all requirements for a Pension. Retirement shall be considered as commencing on the day immediately following an Employee's last day of employment.

(kk) Service:

(1) A Participant's last continuous period during which the Participant was an Employee of the Employer and/or any other Municipality prior to the earlier of his retirement or Break in Service.

(i) Service includes employment with a Municipality other than the Employer prior to the time that the other Municipality adopted the Plan if the other Municipality credits a Participant's past service under its retirement plan; and

(ii) Service for the Employer does not include employment with any Municipality if that service would not be included under the Municipality's retirement plan.

(2) Concurrent employment with more than one Municipality shall be credited as only one period of Service.

(3) Any Authorized Leave of Absence shall not be considered as interrupting continuity of employment, provided the Employee returns within the period of authorized absence. Until such time as the City Council shall adopt rules to the contrary, credit for Service with the Employer shall be granted for any period of Authorized Leave of Absence during which the Employee's full Compensation is continued and contributions to the Fund are continued at the same rate and made by or for him, but credit for Service with the Employer shall not be granted for any period of authorized, nonpaid absence due to illness, union leave, military service, or any other reason, unless arrangements are made with the City Council for the Employee's continued

participation and for contributions to be continued at the same rate and made by him or on his behalf during such absence. Provided, however, if a Participant is on an Authorized Leave of Absence and is receiving worker's compensation during such Authorized Leave of Absence, and if the Employer so elects in the Joinder Agreement, such Participant shall be credited with Service for such period for purposes of vesting only (and not for purposes of benefits) but no Employee contributions shall be made with respect to the Participant for such period.

(4) The expiration of the term of office of an elected official shall not be considered as interrupting continuity of employment, provided the official is re-elected for a consecutive term.

(5) Any reference in this Plan to the number of years of service of an Employee shall include fractional portions of a year.

(6) With respect to a Participant who was previously 100% vested in any other Municipality's qualified retirement plan prior to becoming a Participant in this Plan, such Participant's "Service" for purposes of determining years of service for vesting under this Plan shall include the Participant's last continuous period during which the Participant was an employee of the other Municipality.

Credit for service with the Employer shall not be granted for any period subsequent to the Effective Date during which the Employee did not participate in the Plan and Employee contributions to the Plan and Fund were not made by or for him except as specified above.

(ll) Severance Benefit: The pension benefit described in Section 6.1 herein.

(mm) Spouse: Effective as of June 26, 2013 and in accordance with Revenue Ruling 2013-17 and IRS Notice 2014-19, for Federal tax purposes which may apply to qualified retirement plans under Code Section 401(a), the terms 'spouse,' 'husband,' and 'wife' include an individual married to a person of the same sex if the individuals are lawfully married under state law, and the term "marriage" includes such marriage between individuals of the same sex, and a marriage of same-sex individuals that was validly entered into in a state whose laws authorize the marriage of two individuals of the same sex even if the married couple is domiciled in a state that does not recognize the validity of same-sex marriages. For all other Plan purposes and which are not required for Federal tax purposes as described in the preceding sentence, the term 'spouse' will be defined as a spouse which is legally recognized in the State of Oklahoma."

(nn) Trust Service Provider: The person appointed by the Trustees to supervise operation of the Oklahoma Municipal Retirement Fund and to assist participating Municipalities in the adoption and operation of the Plan.

(oo) Trustee: The Trustees appointed pursuant to the Trust Indenture establishing the Oklahoma Municipal Retirement Fund.

(pp) U. S. Consumer Price Index: The Consumer Price index for all items as reported in the Monthly Labor Review for the month of December of the immediately preceding calendar year as published by the United States Department of Labor.

(qq) Year of Service: A 12 consecutive month period of service commencing on the Employee's Employment Commencement Date, and any anniversary thereof.

2.2 **Construction:** The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender, unless the context clearly indicates to the contrary. The words "hereof," "herein," "hereafter" and other similar compounds of the word "here" shall mean and refer to the entire Plan, not to any particular provision or Section.

ARTICLE III.

Contributions

3.1 **Eligibility:** An Employee, as defined in the Joinder Agreement, who has satisfied all the requirements set forth in the Joinder Agreement shall be eligible to participate in the Plan. Any person who has been classified by the Employer as an independent contractor and has had his compensation reported to the Internal Revenue Service on Form 1099 but who has been reclassified as an “employee” (other than by the Employer) shall not be considered as an eligible Employee who can participate under this Plan; provided, if the Employer does reclassify such worker as an “Employee,” for purposes of this Plan, such reclassification shall only be prospective from the date that the Employee is notified by the Employer of such reclassification.

3.2 **Contributions by Employer:** The Employer shall make contributions to the Fund in such amounts and at such times as the City Council shall determine, acting under the advice of the Plan’s actuarial firm. All contributions made by the Employer to the Fund shall be irrevocable, and shall be used for the exclusive benefit of the Employees covered by the Plan to pay benefits under the Plan, or to pay expenses of the Fund. Forfeitures arising because of death prior to Retirement, severance of Employment before an Employee becomes eligible for a Pension, or any other reason shall be applied to reduce the cost of the Plan, not to increase the benefits otherwise payable to the Employees.

3.3 **Contributions by Employees:** Unless the Employer selects the Non-Contributory Option, each Employee shall contribute to the cost of providing benefits under this Plan while he remains an Employee. Such annual contributions shall be the product of (i) the percentage selected in Section 8 of the Joinder Agreement, and (ii) the Employee’s Compensation.

Any required contributions by Employees shall be made by payroll deductions for each pay period, or any series of pay periods as the Employer may deem most convenient, during the full time of employment as an Employee. The City Council may, however, approve payment of such contributions in a manner other than payroll deductions in any specific case or cases. (In any event a Participant shall be deemed to consent and agree to the payroll deductions as provided for herein.) If an Employee is granted a non-paid leave of absence authorized for any reason, his continued participation in the Plan will depend upon his contributions being continued at the same rate and made by or for him during such absence. While such contributions are continued during such non-paid leave of absence, the Employee’s Compensation shall be deemed to have continued at the same rate for the purpose of computing the Employee’s Average Monthly Compensation.

Provided, however, if a Participant is on an Authorized Leave of Absence and is receiving worker’s compensation during such Authorized Leave of Absence, such Participant shall be credited with Service for such period for purposes of vesting only and not for purposes of benefits if the Employer so elects in Section 7G of the Joinder Agreement, but no Employee contributions shall be made with respect to the Participant for such period.

Each Employee in the service of the Employer on the Effective Date of the Plan hereof may become a Participant in the Plan when first eligible by signing a written notice of participation, agreeing to be bound by the terms and conditions hereof, and authorizing the Employer to deduct from his Compensation the contributions required of him as provided in the Joinder Agreement,

hereof, and he shall be subjected to all other provisions of the Plan beginning on such date. An Employee in the Service of the Employer who does not so elect to become a Participant as of the date he is first eligible to do so, may so elect to become a Participant as of the first day of his pay period coincidental with or next following the date as of which he gives to the Employer written authority to commence deductions from his Compensation for the contributions required of him as is provided in the Joinder Agreement. However, the Service of such a Participant shall not include the period of such voluntary nonparticipation prior to the date as of which the Employee elects to become a Participant in the Plan.

Each Employee employed on or after the original Effective Date of the Plan hereof shall, as a condition of employment, become a Participant in the Plan as of the date on which he is first eligible by signing a written notice of participation agreeing to be bound by the terms and conditions hereof, and authorizing the Employer to deduct from his Compensation any contributions required of him as provided in the Joinder Agreement hereof, and he shall be subject to all other provisions of the Plan beginning on such date.

For each Employee who becomes a Participant in this Plan on the original Effective Date of the Plan, Employee contributions and his participation shall first begin for the pay period commencing on, or next following, that date. For each Employee who becomes a Participant in this Plan after the original Effective Date of the Plan, Employee contributions and his participation shall begin for the pay period commencing on or next following the date he becomes a Participant.

Such Employee contributions shall be fully vested in the contributor Employee at all times. Upon retirement, death or termination of employment of an Employee for any reason, the retired or terminated Employee, or his Beneficiary as the case may be, shall have the option to receive, in lieu of any and all other benefits provided herein, his Contribution Accumulation. Furthermore, the value of the total benefits payable to the Employee and/or his Beneficiary shall in no event be less than his Contribution Accumulation as of the time of his termination of employment. However if any benefit of any other kind is paid under this Plan, to or on behalf of an Employee, no Contribution Accumulation shall be paid, but shall be deemed to have been included in the value of the benefit so paid, unless the total value of such other benefit payments finally paid shall be less than such Contribution Accumulation as of the time of the Employee's termination of employment, in which case the difference shall be paid in a lump sum to the Employee and/or his Beneficiary.

3.4 Pick-up Contributions: If the Employer elects the Pick-Up Option in the Joinder Agreement, all Participants shall be required to make the contributions specified in the Joinder Agreement. These contributions shall be picked up and assumed by the Employer and paid to the Fund in lieu of contributions by the Participant. Such contributions shall be designated as Employer contributions for federal income tax purposes. Each Participant's Compensation will be reduced by the amount paid to the Fund by the Employer in lieu of the required contribution by the Participant. These contributions shall be excluded from the Participant's gross income for federal income tax purposes and from wages for purposes of withholding under Sections 3401 through 3404 of the Code in the taxable year in which contributed. No Participant shall have the option of receiving the contributed amounts directly as compensation. Contributions made by the Employer under this election shall be designated as Employee contributions for purposes of vesting, and determining Employee rights and the Employee's Contribution Accumulation and

shall be allocated to a separate account. A private letter ruling is required if the sponsor/employer wishes a ruling on pick-up contributions.

3.5 Transfer of Contributions: All Employer and Employee contributions shall be directly or immediately allocated, paid or delivered to the City Treasurer, as Treasurer of the Plan. Such contributions shall be transferred and transmitted by the City Treasurer to the Fund for credit as soon as administratively feasible.

ARTICLE IV.

Requirements for Retirement Benefits

4.1 **Normal Pension:** An Employee shall be eligible for a Normal Pension if his employment is terminated on or after his Normal Retirement Date, or if his employment classification has changed such that he is no longer eligible to participate in this Plan on or after his Normal Retirement Date, provided he has met the 100% vesting requirements. Payment of a Normal Pension shall commence as of the first day of the month coinciding with or next following Retirement or change in employment classification, as applicable, and the last payment shall be made as of the first day of the month in which the death of such Employee occurs; provided however, that at the time of his death, if such Employee has received less than the number of monthly payments elected by the Employer in Section 7 of the Joinder Agreement, his Pension payments shall continue to his Beneficiary or Beneficiaries until a total of such number of monthly payments as elected have been made to such Employee and such Beneficiary or Beneficiaries. Normal Pension payments shall not be suspended for a retired Participant who returns to work for the Employer in an employment classification which is not eligible to participate in this Plan.

4.2 **Early Pension:** An Employee may elect early Retirement and be eligible for an Early Pension if his employment is terminated on or after his 55th birthday and before his Normal Retirement Date, provided he has met the 100% vesting requirements. Payment of an Early Pension shall commence as of the Employee's Normal Retirement Date. However, if an Employee requests the Committee to authorize the commencement of his Early Pension as of the first day of any subsequent month which precedes his Normal Retirement Date, his Pension shall commence as of the beginning of the month so requested, but the amount thereof shall be reduced as provided in Section 5.2. The last payment of an Early Pension shall be made as of the first day of the month in which the death of the retired Employee occurs; provided however, that if the retired Employee has received less than the monthly payments as elected in Section 7 of the Joinder Agreement at the time of his death, his Pension payments shall continue to his Beneficiary or Beneficiaries until a total of such monthly payments have been made to such Employee and such Beneficiary or Beneficiaries.

4.3 **Disability Pension:** An Employee shall be eligible for a Disability Pension if his employment is terminated by reason of Disability, before his Normal Retirement Age, provided he has met the 100% vesting requirements. Payment of a Disability Pension shall commence as of the first day of the month coincidental with or next following the date of Retirement. The last payment shall be made as of the first day of the month in which the death of the retired Employee occurs, or if Disability ceases prior to his Normal Retirement Date, the first day of the month in which Disability ceases.

Disability under the Plan shall be considered total and permanent, if on the basis of a medical examination by a doctor or clinic appointed by the Committee, the Committee finds that the Employee has a physical or mental condition which totally and presumably permanently prevents him from engaging in any substantial gainful employment with the Employer.

Notwithstanding any other provisions of this Section, no Employee shall qualify for a Disability Pension if the Committee determines that his Disability results from (a) chronic

alcoholism, (b) addiction to narcotics, (c) an injury suffered while engaged in a felonious or criminal act or enterprise, or (d) service in the armed forces of the United states which entitles the Employee to a veteran's disability pension.

Disability shall be considered to have ended and a Disability Pension shall cease if, prior to his Normal Retirement Age, the Employee (a) engages in any substantial gainful employment except for such employment as is found by the Committee to be for the primary purpose of rehabilitation or not incompatible with a finding of total and permanent Disability, or (b) has sufficiently recovered, in the opinion of the Committee based on a medical examination by a doctor or clinic appointed by the Committee to be able to engage in regular employment with the Employer and refuses an offer of employment by the Employer, or (c) refuses to undergo any medical examination requested by the Committee provided that a medical examination shall not be required more frequently than twice in any calendar year.

If Disability ceases before a retired Employee attains his Normal Retirement Date and the Employee is re-employed by the Employer, the Pension payable upon his subsequent Retirement shall be determined in accordance with the provisions of Section 10.6.

4.4 Deferred Vested Pension: An Employee shall be eligible for a Deferred Vested Pension, if his employment is terminated before his 55th birthday and after he has met the 100% vesting requirements. Payment of a Deferred Vested Pension shall commence as of the Employee's Normal Retirement Date. However, if the Employee requests the Committee to authorize the commencement of his Deferred Vested Pension as of the first day of the month coinciding with or next following his 55th birthday, or as of the first day of any subsequent month which precedes his Normal Retirement Date, his Pension shall commence as of the first day of the month so requested, but the amount thereof shall be reduced as provided in Section 5.4.

4.5 Pensions for Former Employees: If an Employee's Service with the Employer terminates, but his Service continues by virtue of his employment with a Municipality other than the Employer, he, his spouse or other Beneficiaries shall only be then, or later become entitled to, and limited to, such rights, benefits and options of any kind, under this Plan, if any, in the amounts and on the terms and conditions, as provided in Article VIII-Employment Transfers.

4.6 **Termination of Employment - Vesting of Benefits:**

(a) **General:** Except as provided in Section 10.1 hereof, when a Participant ceases to be a Participant for any reason, he shall have vested and nonforfeitable rights in his Accrued Benefits as set forth in one of the following vesting schedules as may be elected by the Employer in the Joinder Agreement:

- (i) **Ten Year Cliff Vesting Schedule.** The Ten Year Cliff Vesting Schedule is as follows:

<u>Years of Service</u>	<u>Percent of Accrued Benefit Vested</u>
Less than: 10	0%
At least: 10	100%

- (ii) **Seven Year Cliff Vesting Schedule.** The Seven Year Cliff Vesting Schedule is as follows:

<u>Years of Service</u>	<u>Percent of Accrued Benefit Vested</u>
Less than: 7	0%
At least: 7	100%

- (iii) **Five Year Cliff Vesting Schedule.** The Five Year Cliff Vesting Schedule is as follows:

<u>Years of Service</u>	<u>Percent of Accrued Benefit Vested</u>
Less than: 5	0%
At least: 5	100%

ARTICLE V.

Amount of Retirement Benefits

5.1 Normal Pension:

(a) **Basic Formula:** An Employee who meets the requirements for a Normal Pension shall receive a monthly amount equal to the product of (1), (2), and (3) as follows:

(1) The percentage associated with the Plan Option elected by the Employer in Section 7B of the Joinder Agreement; multiplied by

(2) His Average Monthly Compensation; and multiplied by

(3) The number of his Years of Service credited with the Employer (but not with any other Municipality), subject to the limitations in Section 7B of the Joinder Agreement.

(b) **Cost-of-Living Adjustment:** If the Cost-of-Living Option is elected in the Joinder Agreement, the monthly amount of Normal Pension determined above under Subsection (a) of this Section, or the amount of any optional form of Pension payable in lieu thereof to a retired Employee or his contingent Beneficiary, shall be increased or decreased annually while payable, commencing with the payment due on the first day of July coinciding with or next following the later of (1) the effective date of the Cost-of-Living option, or (2) the date of the Employee's Retirement, and continuing thereafter on the first day of each subsequent July during which the Pension is payable. Each such increase or decrease shall be related to a change in the cost-of-living based on the percentage change, if any, determined by a comparison of the U. S. Consumer Price Index (as defined in Section 2.1(oo)) for the December next preceding the July of the determination, with such U. S. Consumer Price Index for the December one year earlier; provided however, that such yearly increase or decrease, if any, shall be limited to a maximum change of three percent (3%); and provided further, that such yearly decrease, if any, shall not reduce the amount of Pension so adjusted, below the level established at the time of Retirement.

5.2 Early Pension:

(a) **Basic Formula:** An Employee who meets the requirements for an Early Pension shall receive a monthly amount which shall be computed in the same manner as a Normal Pension, considering his Compensation and Service credited with the Employer prior to Retirement. If payment of an Early Pension commences prior to the Employee's Normal Retirement Date, the amount determined above shall be reduced by 5% each full year plus 5% pro-rata for the number of months in the period between the date as of which the Pension begins and the Normal Retirement Date.

(b) **Cost-of-Living Adjustment:** If the Cost-of-Living option is elected in the Joinder Agreement, the monthly amount of Early Pension determined above under Subsection (a) of this Section, or the amount of any optional form of Pension payable in lieu thereof to a retired Employee or his contingent Beneficiary, shall be subject to annual cost-of-living adjustments in the same manner as provided in Subsection 5.1(b), except that no such adjustment shall be applicable for any period before the Early Pension payments commence, and for this

purpose only, the date such payments commence shall be treated as the Employee's Retirement Date.

5.3 **Disability Pension:**

(a) **Basic Formula:** An Employee who meets the requirements for a Disability Pension shall receive a monthly amount which shall be computed in the same manner as a Normal Pension, considering his Compensation and Service credited with the Employer prior to Retirement.

(b) **Cost-of-Living Adjustment:** If the Cost-of Living Option is elected in the Joinder Agreement, the monthly amount of Disability Pension determined above under Subsection (a) of this Section shall be subject to a cost-of-living adjustment in the same manner as provided in Subsection 5.1(b), except that such adjustment shall not be applicable for any period before the Disability Pension payments commence, and for this purpose only, the date such payments commence shall be treated as the Employee's Retirement Date.

5.4 **Deferred Vested Pension:**

(a) **Basic Formula:** An Employee who meets the requirements for a Deferred Vested Pension shall receive a monthly amount which shall be computed in the same manner as a Normal Pension, considering his Compensation and Service credited with the Employer prior to the termination of his employment. If payment of a Deferred Vested Pension commences prior to the Employee's Normal Retirement Date, the amount determined above shall be reduced by 5% each full year plus 5% pro-rata for the number of months in the period between the date as of which the Pension begins and Normal Retirement Date.

(b) **Cost-of-Living Adjustment:** If the Cost-of-Living Option is elected in the Joinder Agreement, the monthly amount of Deferred Vested Pension determined above under Subsection (a) of this Section shall be subject to a cost-of-living adjustment in the same manner as provided in Subsection 5.1(b), except, that such adjustment shall not be applicable for any period before the Deferred Vested Pension payments commence, and for this purpose only, the date such payments commence shall be treated as the Employee's Retirement Date.

5.5 **Accrued Credits and Vested Benefits Preserved:** The adoption of a new Joinder Agreement by an Employer shall not operate to exclude, diminish, limit, or restrict the amount, payments or continuation of payments of benefits accrued up to the Effective Date of the most recent Joinder Agreement. The amount of such Accrued Pension benefits, if any, in the course of payment immediately prior to such date, shall be continued under the provisions of such Previous Plan, in the same manner and amounts, subject to the provisions of the Retiree Plan Improvement Option in the Joinder Agreement.

ARTICLE VI.

Severance and Death Benefits

6.1 **Severance Benefit:** Upon termination of an Employee's employment with the Employer prior to his Retirement, for a reason other than death, his contributions to the Fund shall cease and he shall be entitled to receive a Severance Benefit equal in amount to the Employee's Contribution Accumulation, which shall be in lieu of all other benefits under this Plan. Payment of such benefit shall be made in a lump sum as soon as administratively feasible after the date of termination of the Employee's employment and the Employee's request for payment. If such termination of employment occurs after the Employee has met the requirements for Deferred Vested Pension, he may receive in lieu of such Contribution Accumulation, the Pension for which he is eligible under the provisions of Article IV, unless the Employee elects to receive such Contribution Accumulation.

If any benefit of any other kind is paid under this Plan to or on behalf of an Employee, no Severance Benefit shall be paid, but shall be deemed to have been included in the value of the other benefit, unless the total of such other benefit payments finally made shall be less than his Contribution Accumulation at the time of the Employee's termination of employment, in which case the difference shall be paid to the terminated Employee if living, or if deceased, to his Beneficiary.

6.2 **Death Prior to Commencement of Pension:** Upon the death of an active Employee or a retired Employee prior to the date fixed for commencement of his Pension payments, the Beneficiary designated by the Employee or retired employee shall be paid a Death Benefit in the form of a Pension unless a spouse's pension becomes payable under Section 6.4.

(a) **Basic Formula:** Subject to the further provisions of Subsection (b) of this Section 6.2, the amount of the Death Benefit Pension shall be equal to fifty percent (50%) of the monthly amount of the Normal Pension, as determined in Section 5.1 which the deceased Employee had accrued at the time of his death considering the Employee's Compensation and Service with the Employer prior to the date of his death. Payment of the Death Benefit Pension under this Subsection shall commence as of the first day of the month coincident with or next following the Employee's death. The last payment shall be made upon completion of the number of monthly payments in the aggregate as elected in Section 7 of the Joinder Agreement. Notwithstanding the foregoing, if any spouse's Pension becomes payable under Section 6.4, or if any optional Pension was elected by such a retired Employee, and becomes effective under Article VII, no such Death Benefit Pension under this Section 6.2 shall be paid at that time. The terms of such Spouse's Pension or optional Pension as the case may be, shall control payments after such death and the Death Benefit Pension provided for under this Section shall be thereby canceled or inapplicable, except that upon the death of the spouse or the contingent Beneficiary, his estate shall be paid the excess, if any, of the Employee's Contribution Accumulation as of the date the Pension commenced or as of the date of death, if earlier, over the sum of the benefit payments other than payments derived from Disability, previously received by the spouse or the contingent Beneficiary.

(b) **Cost-of-Living Adjustment:** If the Cost-of-Living Option is elected in the Joinder Agreement, the monthly amount of Death Benefit Pension determined above under

Subsection (a) of this Section 6.2 or the amount of any optional form of Pension payable in lieu thereof to the Beneficiary entitled thereto, shall be subject to a cost-of-living adjustment in the same manner as provided in Subsection 5.1(b).

6.3 **Death After Commencement of Pension:**

(a) Normal Pension, Early Pension or Deferred Vested Pension: Upon the death of a retired Employee after the date fixed for commencement of his Normal Pension payments or Early Pension payments, Deferred Vested Pension payments as the case may be, and before he has received the number of monthly payments elected in Section 7 of the Joinder Agreement, his Beneficiary shall be entitled to a Death Benefit to be provided in the form of a Pension.

(1) **Basic Formula:** Subject to the further provisions of Subsection (a)(2) of this Subsection 6.3(a), the amount of such Death Benefit Pension shall be equal to the monthly amount of Normal Pension, Early Pension or Deferred Vested Pension which the deceased retired Employee was eligible for or receiving at the time of his death. Payment of such Death Benefit Pension shall commence as of the first day of the month coincident with or next following the retired Employee's date of death. The last payment shall be made upon the completion of the number of monthly payments in the aggregate as elected in Section 7 of the Joinder Agreement to the retired Employee and the Beneficiary, if living, or if deceased, the estate of the Beneficiary. This Death Benefit Pension shall not be in addition to, but shall be one and the same as the continuation of Pension as provided in Section 4.1, Section 4.2, or Section 4.4, as the case may be. However, no such Death Benefit shall be paid but shall be canceled and inapplicable, if an optional form of payment is elected and becomes effective under Article VII hereof.

(2) **Cost-of-Living Adjustment:** If the Cost-of-Living Option is elected in the Joinder Agreement, the monthly amount of Death Benefit Pension determined above under Subsection (a)(1) of this Section 6.3 or the amount of any optional form of Pension payable in lieu thereof to the Beneficiary or estate entitled thereto, shall be subject to a cost-of-living adjustment in the same manner as provided in Subsection 5.1(b).

(b) Disability Pension: Upon the death of a retired Employee who was unmarried or legally separated from his or her spouse, after the date fixed for commencement of his Disability Pension payments and before he has received a total of the number of monthly Pension payments as elected in Section 7 of the Joinder Agreement, and before the cessation of his Disability if such death occurs prior to his Normal Retirement Date, his Beneficiary shall be entitled to a Death Benefit to be provided in the form of a Pension.

(1) **Basic Formula:** Subject to the further provision of Subsection (b)(2) of this Section 6.3(b), the amount of such Death Benefit Pension shall be equal to the monthly amount of Disability Pension which the deceased retired Employee was eligible for or receiving at the time of his death. Payment of such Death Benefit Pension shall commence as of the first day of the month coincident with or next following the retired Employee's date of death. The last payment shall be made upon the completion of the number of monthly payments in the aggregate as elected in Section 7 of the Joinder Agreement to the retired Employee and the Beneficiary, if living, or if deceased, to the estate of the Beneficiary.

If the death of such retired Employee occurs after the cessation of his Disability and before his Normal Retirement Date, and the total Disability Pension payments he had received was less than his Contribution Accumulation as of the date of commencement of payments of such Disability Pension, or as of the date of his death, if earlier, then his Beneficiary shall be entitled to a Death Benefit. The amount of such Death Benefit shall be the excess of the retired Employee's said Contribution Accumulation over the sum of such Pension payments, if any, previously received by the retired Employee. Such Death Benefit shall be paid in cash in a single sum within 30 days after the date of death.

If the retired Employee was married and not legally separated from his or her spouse at the time of death, the applicable Death Benefit shall be that as provided in Section 6.4(b).

(2) **Cost-of-Living Adjustment:** If the Cost-of-Living Option is elected in the Joinder Agreement, the monthly amount of Death Benefit Pension determined above under Subsection (b)(1) of this Section 6.3 shall be subject to a cost-of-living adjustment in the same manner as provided in Section 5.1(b).

6.4 Spouse's Pension:

(a) In-Service Death:

(1) **Eligibility Requirements:** The surviving spouse of a deceased Employee shall be eligible for a spouse's Pension with payments commencing on the first day of the month coinciding with or next following the Employee's date of death and payable for the spouse's lifetime, or until the spouse's remarriage, provided that the Employee, as of the date of his or her death, (a) was continuing in the active Service of the Employer, (b) had met the 100% vesting requirement, (c) had not retired or begun receiving his or her Normal Pension, and (d) was not legally separated from the surviving spouse.

(2) **Amount of Spouse's Pension:** A surviving spouse who meets the eligibility requirements under Subsection (a)(1) of Section 6.4 above shall receive a monthly amount of spouse's Pension equal to fifty percent (50%) of the amount determined in Section 5.1 for a Normal Pension considering the Employee's Compensation and Service with the Employer to the date of his death. However, if the surviving spouse is more than ten years younger than the retired Employee on the date of his death, the Spouse's Pension payable under this Subsection shall be reduced by one percent (1%) for each such year of age difference in excess of ten (10) years to compensate for the longer period of expected payments.

(3) **Cost-of-Living Adjustment:** If the Cost-of-Living Option is elected in the Joinder Agreement, the monthly amount of spouse's Pension determined above under Subsection (a)(2) of this Section 6.4 shall be subject to a cost-of-living adjustment in the same manner as provided in Subsection 5.1(b).

(b) **Post-Disability Retirement Death:** The surviving spouse of a deceased, retired Employee, who was receiving or was entitled to receive a Disability Pension on the date of his or her death and who had received less than the number of monthly payments as elected in Section 7 of the Joinder Agreement of such Disability Pension, shall be eligible for a Spouse's Pension.

(1) **Basic Formula:** Subject to the further provisions of Subsection (b)(2) of this Section 6.4, the amount of such Spouse's Pension shall be equal to the monthly amount of Disability Pension which the deceased retired Employee was eligible for or receiving at the time of his death. Payment of such Spouse's Pension shall commence as of the first day of the month coincident with or next following the retired Employee's date of death. The last payment shall be made upon the completion of the number of monthly payments in the aggregate as elected in Section 7 of the Joinder Agreement to the retired Employee and the surviving spouse, or if the surviving spouse dies before such completion of payments, the remaining payments shall be made to the estate of the deceased spouse.

(2) **Cost-of-Living Adjustment:** If the Cost-of-Living Option is elected in the Joinder Agreement, the monthly amount of spouse's Pension determined above under Subsection (b)(1) of this Section 6.4 shall be subject to a cost-of-living adjustment in the same manner as provided in Section 5.1(b).

(c) **Post-Termination Death Benefit After Deferred Vested Termination:** The surviving spouse of a deceased, retired Employee, who was entitled to receive a Deferred Vested Pension but had not yet received any payments on the date of his or her death, shall be eligible for a Spouse's Pension. Such Pension will commence on the first day of the month coinciding with or next following the later of: (i) the Employee's date of death or (ii) the earliest date of which the Employee could have begun receiving payments in accordance with Section 5.4. The last payment shall be made upon the death or remarriage of the surviving spouse. A final death benefit is the excess, if any, of the Employee's Contribution Accumulation over the sum of the payments made to the Spouse.

(1) **Basic Formula:** Subject to the further provisions of Subsection (c)(2) of this Section 6.4, the amount of such Spouse's Pension shall be equal to fifty percent (50%) of the Deferred Vested Pension to which the deceased, retired Employee was entitled to receive commencing on his or her Normal Retirement Date and reduced in accordance with Section 5.4 for the period between the date the Pension begins and the Normal Retirement Date. However, if the surviving spouse is more than ten (10) years younger than the retired employee on the date of his death, the Spouse's Pension payable under this Subsection shall be reduced by one percent (1%) for each such year of age difference in the excess of ten (10) years to compensate for the longer period of expected payments.

(2) **Cost-of-Living Adjustment:** If the Cost-of-Living Option is elected in the Joinder Agreement, the monthly amount of spouse's Pension determined above under Subsection (c)(1) of this Section 6.4 shall be subject to a cost-of-living adjustment in the same manner as provided in Subsection 5.1(b).

6.5 **Designation of Beneficiary:** Each active or retired Employee may designate a primary Beneficiary or Beneficiaries and, in addition, may name a contingent Beneficiary or Beneficiaries to receive any benefit that may become payable under Article VI hereunder by reason of his death. If an Employee designates more than one Beneficiary, each shall share equally unless the Employee specifies a different allocation or preference. Such designation shall be made upon forms furnished by the Employer and may be revoked or changed at any time and from time to time without notice to any Beneficiary, and shall not be effective unless and

until filed with the Committee. If an Employee fails to designate a Beneficiary, or if no designated Beneficiary survives the Employee, the Death Benefit shall be paid to the Employee's spouse, if living, or otherwise, to the estate of the Employee. Neither the Employer, the Board of Trustees, nor the Fund shall be named as a Beneficiary.

For the purpose of this Plan, the production of a certified copy of the death certificate of any Employee or other person shall be sufficient evidence of death, and the Committee shall be fully protected in relying thereon. In the absence of such proof, the Committee may rely upon such other evidence of death as it deems necessary or advisable.

6.6 Severance of Death Benefits for Former Employees: If an Employee's Service with the Employer terminates, but his Service continues by virtue of his employment with a Municipality other than the Employer, he, his spouse or other Beneficiaries shall only be then, or later become, entitled to and limited to such rights, benefits and options of any kind, under this, if any, in the amounts and on the terms and conditions, as provided in Article VIII, Employment Transfers.

ARTICLE VII.

Optional Retirement Benefits

7.1 **Joint and Survivor Options:** By filing a timely application with the Authorized Agent, a married Employee not legally separated from his or her spouse may designate such spouse as his contingent pensioner and elect to receive a Pension payable in accordance with one of the following Actuarially Equivalent options in lieu of the Pension to which he may otherwise become entitled upon Retirement.

Option A - Joint and 100% Survivor Annuity. A reduced Pension payable monthly during the lifetime of the Employee with the provision that 100% of such monthly benefit shall be payable to the Employee's contingent pensioner in monthly installments commencing on the first day of the month following the month in which the Employee died and continuing thereafter during the remaining lifetime of such contingent pensioner through the last monthly payment on or prior to the contingent pensioner's death. The reduced Pension payable to the Employee shall be eighty-three percent (83%) plus or minus one percent (1%) for each year to the nearest year that the contingent pensioner is older or younger respectively than the Employee multiplied by the Pension payable to the Employee in the normal form.

Option B - Joint and 50% Survivor Annuity. An adjusted Pension payable monthly during the lifetime of the Employee with the provision that fifty percent (50%) of such monthly benefit shall be payable to such Employee's contingent pensioner in monthly installments commencing on the first day of the month following the month in which the Employee dies and continuing thereafter during the remaining lifetime of the contingent pensioner through the last monthly payment on or prior to such contingent pensioner's death. The reduced Pension payable to the Employee shall be ninety-two percent (92%) plus or minus one-half of one percent (0.5%) for each year to the nearest year that his contingent pensioner is older or younger respectively than the Employee multiplied by the Pension payable to the Employee in the normal form.

Option C - Joint and 66 2/3% Survivor Annuity. An adjusted Pension payable for the joint lifetime of the Employee and his contingent pensioner, and upon the death of either, payments in the amount of sixty-six and two-thirds percent (66 2/3%) of such adjusted Pension shall be continued to the contingent pensioner during the contingent pensioner's lifetime through the last monthly payment on or prior to such contingent pensioner's death. The reduced Pension payable to the Employee shall be ninety-three percent (93%) plus or minus seven-tenths of one percent (0.7%) for each year to the nearest year that the contingent pensioner is older or younger respectively than the Employee multiplied by the Pension payable to the Employee in the normal form.

7.2 **Other Forms of Payment:** If the Employer has elected in the Joinder Agreement to provide additional optional benefit forms, the Committee may, in its sole discretion, at the request of an Employee (or contingent pensioner), direct that any benefit provided by the Plan be paid in one of the following forms, provided that payments to the Employee (or contingent pensioner) have not yet commenced and that payments in such other form shall be the Actuarial Equivalent of the benefit otherwise payable. The optional forms of payment are as follows:

Option D - Insured Annuity. Under this form, the payee will receive a nontransferable annuity purchased from a duly licensed insurance company under either an individual or group annuity contract. Such annuity may be in any of the forms otherwise payable hereunder.

Option E - Periodic Installments. Under this form, the payee will receive periodic installments over a period of years not to exceed life expectancy or the life expectancy of the payee and his designated Beneficiary. If his death occurs after payments commenced, any remaining installments will be paid to his designated Beneficiary, or Beneficiaries, either periodically over the remainder of the period originally established for the payee or in a lump sum, as selected by the Committee. No future Cost-of-Living adjustments will be made or considered in calculating the payment under this optional form.

Option F - Lump-Sum Payment. Under this form, the payee will receive a single sum payment in cash. No future Cost-of-Living adjustments will be made or considered in calculating the payment under this optional form.

Option G – Combination. Under this form, the payee will receive a combination of Option F and Option D or Option E, as selected by the payee.

The calculation of amounts payable under Option E and Option F above shall be based on actuarial tables contained in the Appendix. The underlying interest rate shall be seven and one-half percent (7½%).

Annuity contracts purchased under Option D above must be priced on a basis deemed not to be discriminatory under Title VII of the Civil Rights Act.

The Committee shall, if it deems appropriate, require an Employee (or contingent pensioner) to submit evidence of good health as a condition to receipt of any such form of payment, particularly any lump sum payment.

If a Pension payable under this Plan is less than fifty dollars (\$50.00) per month, the Committee may direct that, in lieu of such Pension, the Actuarial Equivalent thereof shall be paid in a lump sum, or in a series of uniform monthly, quarterly, or annual amounts for life or for a designated period of time.

7.3 Restrictions on Optional Forms: If payments have not yet commenced to an Employee, an Employee may elect, change, or revoke an option if his election, change, or revocation is filed in writing with the Authorized Agent. However, an election to receive benefits in one of the forms described in Section 7.2 requires Committee approval. In the event an Employee dies after he has begun to receive benefits under this Plan, his beneficiary or contingent pensioner shall not be entitled to change the form of payment of the benefit. An Employee receiving a Disability Pension is not eligible for any of the options. Notwithstanding anything in this Section to the contrary, an Employee may elect an option without the approval of the Authorized Agent at any time within the six month period next following the adoption of this Plan by the Employer, provided that the Employee is in the employ of the Employer at the time the election is made.

An election made pursuant to this Article shall become inoperative in the event that no contingent pensioner is surviving upon the Employee's Retirement Date.

If an Employee who makes an election pursuant to the requirements of this Section continues in the Employer's employ after his Normal Retirement Date, no Pension payments shall be made during the period of continued employment. If the Employee dies during such continued employment and the contingent pensioner survives him, the election shall become operative so that the contingent pensioner shall receive a Pension in accordance with the option elected commencing on the first day of the month coinciding with or next following the death of the Employee. In the event the contingent pensioner predeceases the Employee during such continued employment, the election shall not become operative.

7.4 Other Benefits Canceled by Option: Any Contribution Accumulation, Pension, Severance, Death, or other benefit that would otherwise have become payable under this Plan shall be canceled and superseded by an option elected under Section 7.1 or any other form of payment elected under Section 7.2 as of the date such option or other form of payment commences.

7.5 Options by Former Employee: The provisions of this Article VII shall be applicable to any former Employees entitled thereto under the provisions of Article VIII-Employment Transfers.

7.6 Rollover to Another Plan or IRA: Notwithstanding any provision of the Plan to the contrary that would otherwise limit a Distributee's election under this Section, a Distributee may elect, at the time and in the manner prescribed by the Committee, to have any portion of an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover. The Committee shall establish procedures for implementing such Direct Rollover distribution.

(a) Definitions. For purposes of this Section 7.6, the following definitions shall apply:

(i) "Eligible Rollover Distribution": An "Eligible Rollover Distribution" is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (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 ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includable in gross income. With respect to distributions made after December 31, 2001, a portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Section 408(a) or (b) of the Code, or to a qualified defined contribution plan described in Section 401(a) or 403(a) of the Code that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(ii) **“Eligible Retirement Plan”**: An “Eligible Retirement Plan” is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the Distributee’s Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to the surviving spouse or a Participant’s surviving Beneficiary (effective January 1, 2007), an Eligible Retirement Plan is an individual retirement account or individual retirement annuity. With respect to distributions made after December 31, 2001, an eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse or a Participant’s surviving Beneficiary (effective January 1, 2007), or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in Section 414(p) of the Code. In the case of a nonspouse beneficiary, the direct rollover may be made only to an individual retirement account or annuity described in Code Section 408(a) or 408(b) (“IRA”) that is established on behalf of the designated Beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11). Further, the determination of any required minimum distribution under Code Section 401(a)(9) that is ineligible for rollover shall be made in accordance with IRS Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395.

(iii) **“Distributee”**: A “Distributee” includes a Participant or former Participant. In addition, the Participant’s spouse or former Participant’s surviving spouse or surviving Beneficiary (effective January 1, 2007) and the Participant’s or former Participant’s spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.

(iv) **“Direct Rollover”**: A “Direct Rollover” is a payment by the Plan directly to the Eligible Retirement Plan specified by the Distributee.

7.7 **Minimum Distribution Requirements.**

(a) **General Rules.**

(i) **Effective Date.** The provisions of this Section will apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

(ii) **Precedence.** The requirements of this Section will take precedence over any inconsistent provisions of the Plan.

(iii) **Requirements of Regulations Incorporated.** All distributions required under this Section will be determined in accordance with Section 401(a)(9) of the Internal Revenue Code, including the incidental death benefit requirement of Section 401(a)(9)(G), and the Income Tax Regulations thereunder.

(iv) **TEFRA Section 242(b)(2) Elections.** Notwithstanding the other provisions of this Section, other than Subsection (iii), distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the Plan that relate to Section 242(b)(2) of TEFRA.

(b) Time and Manner of Distribution.

(i) **Required Beginning Date.** The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date.

(ii) **Death of Participant Before Distributions Begin.** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(1) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then, except as provided in the adoption agreement, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70½, if later.

(2) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, then, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(3) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(4) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Subsection (b)(ii), other than Subsection (b)(ii)(1), will apply as if the surviving spouse were the Participant.

For purposes of this Subsection (ii) and Subsection (e), distributions are considered to begin on the Participant's required beginning date (or, if Subsection (b)(ii)(4) applies, the date distributions are required to begin to the surviving spouse under Subsection (b)(ii)(1)). If annuity payments irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Subsection (b)(ii)(1), the date distributions are considered to begin is the date distributions actually commence.

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

(c) **Determination of Amount to be Distributed Each Year.**

(i) **General Annuity Requirements.** If the Participant's interest is paid in the form of annuity distributions under the Plan, payments under the annuity will satisfy the following requirements:

- (1) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;
- (2) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section (d) or (e);
- (3) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;
- (4) payments will either be nonincreasing or increase only as follows:
 - a by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
 - b 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 (d) dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p);
 - c to provide cash refunds of employee contributions upon the Participant's death; or
 - d to pay increased benefits that result from a plan amendment.

(ii) **Amount Required to be Distributed by Required Beginning Date.** The amount that must be distributed on or before the Participant's required beginning date (or, if the Participant dies before distributions begin, the date distributions are required to begin under Subsection (b)(ii)(1) or (2)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Participant's required beginning date.

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

(d) Requirements For Annuity Distributions That Commence During Participant's Lifetime.

(i) **Joint Life Annuities Where the Beneficiary Is Not the Participant's Spouse.** If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a nonspouse 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 Section 1.401(a)(9)-6T of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a nonspouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

(ii) **Period Certain Annuities.** Unless the Participant's spouse is the sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the 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 Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section (d)(ii), or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

(e) **Requirements For Minimum Distributions After the Participant's Death.**

(i) Death After Distributions Begin. If the Participant dies after distribution of his or her interest begins in the form of an annuity meeting the requirements of this Article, the remaining portion of the Participant's interest will continue to be distributed over the remaining period over which distributions commenced.

(ii) Death Before Distributions Begin.

a. **Participant Survived by Designated Beneficiary.** If the Participant dies before the date distribution of his or her interest begins and there is a designated beneficiary, the Participant's entire interest will be distributed, beginning no later than the time described in Subsection (b)(ii)(1) or (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 the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or

(2) if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

b. **No Designated Beneficiary.** If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

c. **Death of Surviving Spouse Before Distributions to Surviving Spouse Begin.** If the Participant dies before the date distribution of his or her interest begins, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Section (e) will apply as if the surviving spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Subsection (b)(ii)(1).

(f) **Definitions.**

(i) **Designated Beneficiary.** The individual who is designated as the beneficiary under Section 6.5 of the Plan and is the designated beneficiary under Section 401(a)(9) of the Internal Revenue Code and Section 1.401(a)(9)-4 of the Treasury regulations.

(ii) **Distribution Calendar Year.** A calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first

distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to Subsection (b)(ii).

(iii) **Life Expectancy.** Life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.

(iv) **Required Beginning Date.** The April 1 of the calendar year following the later of the calendar year in which the Participant attains age 70½, or if later, retires.

ARTICLE VIII.

Employment Transfers

8.1 **Transfers From This Plan:**

(a) **To Another Category With This Employer:** If an Employee is employed by the Employer under this Plan and is transferred to employment with this Employer but under another department, classification or category, so that he is no longer eligible to participate in this Plan, such participation shall thereupon cease; his benefits shall remain in the Fund (unless such Employee is eligible for his Normal Pension in accordance with Section 4.1); but he will not continue to accrue service for the purposes of benefit accruals or additional vesting credit for benefits under this Plan.

(b) **To Another Municipality:** If an Employee's employment by the Employer under this Plan is terminated by virtue of his transfer to employment with another Municipality, his participation in this Plan shall thereupon cease and he shall be subject to the following rules and requirements relating to this Plan and his right and benefits hereunder:

(1) If he is eligible for a Pension under this Plan as of the date of such employment transfer, such transfer shall be treated as his Retirement and thereupon he shall be entitled to his Pension; or

(2) If he is not eligible for a Pension under this Plan as of the date of such employment transfer, and he is, immediately upon such transfer of employment, covered by the retirement plan under which such other Municipality participates in the Oklahoma Municipal Retirement Fund, his Contribution Accumulation shall remain in the Fund and will continue to accrue interest, and he will continue to accrue Service for the purpose of meeting eligibility requirements for benefits under this Plan, but shall not be entitled to credit for Service while not a member under this Plan for the purpose of computing the amount of any benefit under this Plan and upon so meeting such eligibility requirements for benefits, he or his Beneficiaries shall be entitled to such benefits.

8.2 **Transfers to This Plan:**

(a) **From Another Category with This Employer:** Effective for Plan Years beginning on or after July 1, 1998, if a person becomes an Employee and a Participant under this Plan immediately upon his transfer from full-time, regular employment with this Employer under another department, classification or category where he is ineligible for membership only because of the type of such employment, his Service accrued by virtue of such prior employment shall not be counted in determining his eligibility for benefits hereunder and not in computing the amount of such benefits, and he shall also be subject to all the other provisions of this Plan, provided such transfer occurred prior to the adoption of this Plan. Provided, however, for Plan Years ending prior to July 1, 1998, the rules of the prior Plan document shall apply with respect to such transfers.

(b) **From Another Municipality:** If a person becomes an Employee and a Participant under this Plan immediately upon his transfer from full-time, regular employment

with a Municipality other than this Employer, his Service accrued by virtue of such prior employment shall be counted in determining his eligibility and vesting for benefits hereunder, but not in computing the amount of such benefits, and he shall also be subject to all the other provisions of this Plan. An Employee's eligibility for membership under this Plan will be determined by applying the eligibility requirements in the Joinder Agreement as though the date his credited service from the other Municipality began was his date of employment with this Employer. Provided, however, no such Service shall be counted if the Participant was not 100% vested in the other Municipality's qualified retirement plan and the Participant received a distribution of his benefit under such Plan unless the distribution of his benefit was paid after becoming vested with this Employer.

(c) Previously Fully Vested With Another Municipality: With respect to a Participant who was previously 100% vested in any other Municipality's qualified retirement plan prior to becoming a Participant in this Plan, such Participant's "Service" for purposes of determining years of service for eligibility and vesting under this Plan shall include the Participant's last continuous period during which the Participant was an employee of the other Municipality.

8.3 Notice of Transfers: Immediately after any transfer of employment referred to in Sections 8.1 or 8.2, the transferred Employee shall give written notice of such transfer to the Authorized Agent on a form furnished by the Authorized Agent. Such Employee shall not be penalized, however, for failure to give such notice. The Authorized Agent shall give immediate notice in writing of such transfers to the Committee.

ARTICLE IX.

Administration

9.1 **Administration:** The Plan shall be administered by the Committee which is hereby created and established and which shall be composed of the members of the City Council of the Employer. The duties of the Committee shall be performed without compensation other than the compensation, if any, which they receive as officers of the Employer unless additional compensation is specifically provided for by action of the City Council. Any usual and reasonable expenses incurred by the Committee in the administration of this Fund and Plan shall be paid by the Employer.

(a) **Committee:** The Committee shall have such powers as may be necessary to discharge its duties hereunder and under the document creating the Oklahoma Municipal Retirement Fund, and under the contract for the pooling of the Fund with similar funds of other Municipalities. Such powers shall include but not be limited to the following powers and duties:

(1) to delegate to, specify, direct, and supervise the performance of duties of the Authorized Agent, as the agent of the Employer and Committee in matters relating to the Plan, and the Fund, including but not limited to, the duties set forth below in Subsection 9.1(b) and including any duties of the Employer under the Plan, or as set forth in this Subsection 9.1(a);

(2) acting by direction to the Authorized Agent to file a petition for nomination, or otherwise nominate, and cast the ballot for the election of Trustees of the Oklahoma Municipal Retirement Funds;

(3) to construe and interpret the Plan and resolve any ambiguities with respect to any of the terms and provisions thereof as written and as applied to the operation of the Plan;

(4) decide all questions of eligibility and determine the amount, manner and time of payment of any benefits hereunder;

(5) to prescribe procedures to be followed by Employees in filing applications for benefits;

(6) to make a determination as to the right of any person to a benefit and to afford any person dissatisfied with such determination the right to a hearing thereon;

(7) to receive from the Employer, the Trustees, the Trust Service Provider and the Authorized Agent, such information as shall be necessary for the proper administration of the Plan;

(8) to prepare and distribute, in such manner as it determines to be appropriate, information explaining the Plan;

(9) to furnish the Employer, upon request, such annual reports with respect to the administration of the Plan as are reasonable and appropriate;

(10) to receive and review the valuation report and certification of the Plan, prepared annually by the actuarial firm, and on the basis thereof to certify to the Employer's budgetary authority an appropriate contribution rate in time for the incorporation, when necessary, of the resulting costs in the budget, and make timely appropriations therefor;

(11) to receive and review reports from the auditor appointed by the Trustees, the City Treasurer and City Auditors, of the financial condition of the Fund;

(12) to have full power, to manage and control, the Plan and Fund and to authorize in writing, all payments from the Fund by written direction of the Authorized Agent, or otherwise; and

(13) to sue in any court of competent jurisdiction for the enforcement of any contract, claim or other right, and to defend against or to compromise, settle or otherwise dispose of any claim or suit against the Employer, the Plan, or the City Treasurer, as Treasurer of the Plan.

(14) to appoint such person or persons as necessary to perform the following:

a. to receive and separately account for, payments, appropriations, apportionments, allocations, payroll deductions, and any other assets, which are for, or consist of contributions or assets under the Plan for the Fund, which are made by the Employer, the Participants, or from any other source;

b. to transfer, remit, pay over and deliver, upon the written direction of the Authorized Agent, as soon as practicable after his receipt thereof, all such contributions and assets, to the Oklahoma Municipal Retirement Fund for management and investment;

c. to keep as evidence and permanent records, all such written directions of the Authorized Agent for such transfers and disbursements, maintain accurate accounts and records of such receipts, transfers and disbursements, and keep such other records and furnish such information and advice to the Employer, the City Council, the Committee and the Authorized Agent as may be necessary and proper for the performance of such duties in coordinating the administration and operation of the Plan;

d. maintain such records including vital statistics on health, age, sex, birth, death, Compensation and length of Service of all the Participants of the Employer or their beneficiaries who are included in the Plan or who are, or may become eligible for such inclusion, as are necessary for the proper administration of the Plan, and furnish such information as is requested by the Authorized Agent, or is requested by the Administrator;

e. notify the Authorized Agent when any Participant is eligible for Retirement under the Plan; and

f. attend meetings of the Committee while matters pertaining to the Plan, the Employees or their beneficiaries are under consideration.

The Committee shall have no power to waive or fail to apply any requirements of eligibility for a Pension under the Plan. The Committee may adopt such rules, regulations and actuarial tables as it deems necessary or desirable to administer the Plan. All such rules, regulations and decisions shall be uniformly and consistently applied to all Employees in similar circumstances.

Any such rule or decision which is not inconsistent with the provisions of the Plan shall be conclusive and binding upon all persons affected by it and there shall be no appeal from any ruling by the Committee which is within its authority.

When making a determination or calculation, the Committee shall be entitled to rely upon information furnished by the Trustees, the Trust Service Provider, the Employer, the Authorized Agent, the legal counsel of the Employer, or the actuary for the Plan.

(b) Authorized Agent: An Authorized Agent shall be designated in writing by the Committee and shall act as the agent of the Employer (but not the agent of the Trustees or the Trust Service Provider of the Fund) in matters pertaining to the Plan and the Fund, to centralize in one person the local administration and coordination thereof, and to file payroll and contribution information, to file claims, forms and applications for Employees, and to advise Employees, the Employer and the Committee. The Authorized Agent, under the control and direction of the Committee, shall have such general duties as the Employer and the Committee may deem necessary and proper for such purposes, which duties shall include but not be limited to, the following:

(1) to coordinate the deduction of Employee contributions and to see that Employer and Employee contributions are properly received and forwarded promptly to the Fund for management and investment;

(2) to forward any communications directed to Employees and Beneficiaries by the Trustees, the Trust Service Provider or the Fund;

(3) to lend assistance to Employees and Beneficiaries in filing applications for benefits, and in communicating with the Employer, the Committee and the Trustees or the Trust Service Provider of the Fund and to forward such communications to the addressees;

(4) to keep the Employer and Committee informed regarding Employer contribution rates and funds required to meet the costs of the Plan;

(5) to assist the Committee in determining whether or not Employees are eligible for participation in the Plan;

(6) to certify at the direction of the Committee that an Employee is on an Authorized Leave of Absence, paid or unpaid; and

(7) to file at the direction of the Committee a petition or nomination, and cast a ballot for election of Trustees of the Fund.

(c) **Plan Municipal Counselor:** The Committee of the Employer shall appoint the legal advisor of the Employer and the Committee, and such legal advisor shall represent them in any legal matters, proceedings, or litigation.

9.2 **Bonds:** No bond to secure the performance of administrative duties in the operation of the Plan and the Fund, shall be required of any persons or organizations unless required by law, or unless required by the Trust indenture establishing Fund, or unless required by the Employer for any persons or organizations engaged in the administration of the Plan. If such a bond is required by law, the Trustees or the Employer, the premiums therefor shall be paid as expenses of the Fund. Any agents, officials of employees of the Employer engaged in the administration for the Plan shall be covered as to the performance of such administrative duties, by any official or other bond covering their regular duties otherwise.

9.3 **Benefit Payments:** All benefits which are to be paid pursuant to the provisions of the Plan, shall be paid under the direction of the Committee out of the applicable portion of the Fund, upon written directions of the Committee acting through the Authorized Agent.

9.4 **Abandonment of Benefits:**

(a) If, anytime following the date either of a Participant or Beneficiary of a deceased Participant becomes entitled to receive any non-deferred benefits under the Plan, then, if the whereabouts of such Participant or Beneficiary is unknown, the benefits may be forfeited in certain limited circumstances as provided hereafter. If the Committee has mailed to the Participant or Beneficiary notice of the present right to receive benefits, and the Committee mails such notice again after one year, then, if no claim has been received by the second anniversary of the first mailing of the notice, the Accounts representing unclaimed Benefits (including those holding Employee contributions) shall be forfeited.

(b) Each Participant and Beneficiary shall file with the Committee, from time to time in writing, their post office address and each change of post office address, if any, and the Committee shall not be obliged to search for or ascertain the whereabouts of any Participant or Beneficiary. Any communication addressed to a Participant or Beneficiary at their last post office address filed with the Committee, or if no such address was filed, then at their last post office address as shown on the Employer's records, shall be binding on the Participant and the Beneficiary for all purposes of the Plan and Trust.

(c) In the event that the whereabouts of a lost Participant, or lost Beneficiary of a deceased Participant, ever becomes known to the Committee, and either of such parties makes a claim for benefits, the Committee shall, if the Plan is in existence, reinstate any Benefits which have been previously forfeited to satisfy such claim, including any applicable cost-of-living adjustments. For purposes of this Subsection (c), the limitations under Section 415 of the Code shall not apply.

9.5 **Benefits Payable to Incompetents:** Any payments due hereunder to a minor or other person under legal disability may be made, at the discretion of the Committee, (i) to a parent, spouse, relative by blood or marriage, or (ii) the legal representative of the said person. The Committee shall not be required to see to the application of any such payment, and the payee's

receipt shall be a full and final discharge of all responsibility hereunder of the Employer, the Committee and the Trustees.

ARTICLE X.

Limitations

10.1 **Loss of Benefits for Cause:** In the event an Employee is discharged because of embezzlement, fraud, dishonesty, or misappropriation of the Employer's property, and the reasons for such discharge are confirmed by resolution of the City Council after such Employee is afforded an opportunity to be heard, neither he, nor his Beneficiary, shall be entitled to receive any benefit hereunder other than his Contribution Accumulation as of the date of his discharge, regardless of his age and service on the date of his discharge. Likewise, such benefits to which any retired Employee or his Beneficiary, or the Beneficiary of a deceased Employee would otherwise be entitled under this Plan, shall be forfeited upon discovery, even after termination of employment or death, of any such embezzlement, fraud, dishonesty, or misappropriation of the Employer's property, by the Employee against the Employer.

10.2 **Annual Benefit - General:** The following limitations of this Article shall apply in limitation years beginning on or after July 1, 2007, except as otherwise provided herein.

10.3 **Limitation on Benefits:**

(a) The Annual Benefit otherwise payable to a Participant under the Plan at any time shall not exceed the Maximum Permissible Benefit. If the benefit the Participant would otherwise accrue in a Limitation Year would produce an Annual Benefit in excess of the Maximum Permissible Benefit, the benefit shall be limited (or the rate of accrual reduced) to a benefit that does not exceed the Maximum Permissible Benefit,

(b) If the Participant is, or has ever been, a Participant in another qualified defined benefit plan (without regard to whether the Plan has been terminated) maintained by the Employer or a predecessor employer, the sum of the Participant's Annual Benefits from all such plans may not exceed the Maximum Permissible Benefit. Where the Participant's Employer-provided benefits under all such defined benefit plans (determined as of the same age) would exceed the Maximum Permissible Benefit applicable at that age, the Employer will apply the benefit accrual limit first to the plan that is not a broad-based participation plan.

(c) The application of the provisions of this Article shall not cause the Maximum Permissible Benefit for any Participant to be less than the Participant's accrued benefit under all the defined benefit plans of the Employer or a predecessor employer as of the end of the last Limitation Year beginning before July 1, 2007 under provisions of the plans that were both adopted and in effect before April 5, 2007. The preceding sentence applies only if the provisions of such defined benefit plans that were both adopted and in effect before April 5, 2007 satisfied the applicable requirements of statutory provisions, regulations, and other published guidance relating to Code Section 415 in effect as of the end of the last Limitation Year beginning before July 1, 2007, as described in Treas. Reg. Section 1.415(a)-1(g)(4).

(d) The limitations of this Article shall be determined and applied taking into account the rules in section 10.9.

10.4 Definitions:

(a) **Annual Benefit:** A benefit that is payable annually in the form of a straight life annuity. Except as provided below, where a benefit is payable in a form other than a straight life annuity, the benefit shall be adjusted to an actuarially equivalent straight life annuity that begins at the same time as such other form of benefit and is payable on the first day of each month before applying the limitations of this Article. For a Participant who has or will have distributions commencing at more than one annuity starting date, the Annual Benefit shall be determined as of each such annuity starting date (and shall satisfy the limitations of this Article as of each such date), actuarially adjusting for past and future distributions of benefits commencing at the other annuity starting dates. For this purpose, the determination of whether a new starting date has occurred shall be made without regard to Treas. Reg. Section 1.401(a)-20, Q&A 10(d), and with regard to Treas. Reg. Section 1.415(b)-1(b)(1)(iii)(B) and (C).

No actuarial adjustment to the benefit shall be made for (a) survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity to the extent such benefits would not be payable if the Participant's benefit were paid in another form; (b) benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits); or (c) the inclusion in the form of benefit of an automatic benefit increase feature, provided the form of benefit is not subject to Code Section 417(e)(3) and would otherwise satisfy the limitations of this Article, and the Plan provides that the amount payable under the form of benefit in any Limitation Year shall not exceed the limits of this Article applicable at the annuity starting date, as increased in subsequent years pursuant to Code Section 415(d). For this purpose, an automatic benefit increase feature is included in a form of benefit if the form of benefit provides for automatic, periodic increases to the benefits paid in that form.

The determination of the Annual Benefit shall take into account Social Security supplements described in Code Section 411(a)(9) and benefits transferred from another defined benefit plan, other than transfers of distributable benefits pursuant to Treas. Reg. Section 1.411(d)-4, Q&A-3(c), but shall disregard benefits attributable to employee contributions or rollover contributions. Effective for distributions in Plan Years beginning after December 31, 2003, the determination of actuarial equivalence of forms of benefit other than a straight life annuity shall be made in accordance with Section 10.4(a)(1) or Section 10.4(a)(2).

(1) Benefit Forms Not Subject to § 417(e)(3): The straight life annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this Section 10.4(a)(1) if the form of the Participant's benefit is either (1) a nondecreasing annuity (other than a straight life annuity) payable for a period of not less than the life of the Participant (or, in the case of a qualified pre-retirement survivor annuity, the life of the surviving spouse), or (2) an annuity that decreases during the life of the Participant merely because of (a) the death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or (b) the cessation or reduction of Social Security supplements or qualified disability payments (as defined in Code Section 401(a)(11)).

(i) Limitation Years beginning before July 1, 2007. For Limitation Years beginning before July 1, 2007, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has

the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount: (I) the interest rate specified in Section 2.1(b) of the Plan and the mortality table (or other tabular factor) specified in Section 2.1(b) of the Plan for adjusting benefits in the same form; and (II) a 5 percent interest rate assumption and the applicable mortality table defined in Section 2.1(b) of the Plan for that annuity starting date.

(ii) Limitation Years beginning on or after July 1, 2007. For Limitation Years beginning on or after July 1, 2007, the actuarially equivalent straight life annuity is equal to the greater of (1) the annual amount of the straight life annuity (if any) payable to the Participant under the Plan commencing at the same annuity starting date as the Participant's form of benefit; and (2) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using a 5 percent interest rate assumption and the applicable mortality table defined in Section 2.1(b) of the Plan for that annuity starting date.

(2) Benefit Forms Subject to Code Section 417(e)(3): The straight life annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this paragraph if the form of the Participant's benefit is other than a benefit form described in section 10.4(a)(1). In this case, the actuarially equivalent straight life annuity shall be determined as follows:

(i) Annuity Starting Date in Plan Years Beginning After 2005. If the annuity starting date of the Participant's form of benefit is in a Plan Year beginning after 2005, the actuarially equivalent straight life annuity is equal to the greatest of (I) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using the interest rate specified in Section 2.1(b) of the Plan and the mortality table (or other tabular factor) specified in Section 2.1(b) of the Plan for adjusting benefits in the same form; (II) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using a 5.5 percent interest rate assumption and the applicable mortality table defined in Section 2.1(b) of the Plan; and (III) the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using the applicable interest rate defined in Section 2.1(b) of the Plan and the applicable mortality table defined in Section 2.1(b) of the Plan, divided by 1.05.

(ii) Annuity Starting Date in Plan Years Beginning in 2004 or 2005. If the annuity starting date of the Participant's form of benefit is in a Plan Year beginning in 2004 or 2005, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount: (I) the interest rate specified in Section 2.1(b) of the Plan and the mortality table (or other tabular factor) specified in Section 2.1(b) of the Plan for adjusting benefits in the same form; and (II) a 5.5 percent interest rate assumption and the applicable mortality table defined in Section 2.1(b) of the Plan.

If the annuity starting date of the Participant's benefit is on or after the first day of the first Plan Year beginning in 2004 and before December 31, 2004, the application of this Section

10.4(a)(2)(i) shall not cause the amount payable under the Participant's form of benefit to be less than the benefit calculated under the Plan, taking into account the limitations of this Article, except that the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using the interest rate specified in Section 2.1(b) of the Plan and the mortality table (or other tabular factor) specified in Section 2.1(b) of the Plan for adjusting benefits in the same form.

(b) **Compensation:** Compensation is defined as wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the employer maintaining the Plan to the extent that the amounts are includible in gross income (including, but not limited to, commissions paid salespersons, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements, or other expense allowances under a nonaccountable plan (as described in Treas. Reg. Section § 1.62-2(c), and excluding the following:

(i) Employer contributions (other than elective contributions described in Code Sections 402(e)(3), 408(k)(6), 408(p)(2)(A)(i), or 457(b)) to a plan of deferred compensation (including a simplified employee pension described in Code Section 408(k) or a simple retirement account described in Code Section 408(p), and whether or not qualified) to the extent such contributions are not includible in the employee's gross income for the taxable year in which contributed, and any distributions (whether or not includible in gross income when distributed) from a plan of deferred compensation (whether or not qualified);

(ii) Amounts realized from the exercise of a nonstatutory stock option (that is, an option other than a statutory stock option as defined in Treas. Reg. Section 1.421-1(b)), or when restricted stock (or property) held by the employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(iii) Amounts realized from the sale, exchange or other disposition of stock acquired under a statutory stock option;

(iv) Other amounts that receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includible in the gross income of the employee and are not salary reduction amounts that are described in Code Section 125);

(v) Other items of remuneration that are similar to any of the items listed in (i) through (iv).

For Limitation Years beginning more than 90 days after the close of the first regular legislative session of the legislative body with authority to amend the Plan that begins on or after July 1, 2007, compensation for a Limitation Year shall also include compensation paid by the later of 2½ months after an employee's severance from employment with the employer maintaining the Plan or the end of the Limitation Year that includes the date of the employee's severance from employment with the employer maintaining the Plan, if the payment is regular compensation for services during the employee's regular working hours, or compensation for services outside the

employee's regular working hours (such as overtime or shift differential), commissions, bonuses, or other similar payments, and, absent a severance from employment, the payments would have been paid to the employee while the employee continued in employment with the employer.

Any payments not described above shall not be considered compensation if paid after severance from employment, even if they are paid by the later of 2½ months after the date of severance from employment or the end of the Limitation Year that includes the date of severance from employment, except, payments to an individual who does not currently perform services for the employer by reason of qualified military service (within the meaning of Code Section 414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the employer rather than entering qualified military service.

Back pay, within the meaning of Treas. Reg. Section 1.415(c)-2(g)(8), shall be treated as compensation for the Limitation Year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.

For Limitation Years beginning after December 31, 1997, or Compensation paid or made available during such Limitation Year shall include amounts that would otherwise be included in compensation but for an election under Code Sections 125(a), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b).

For Limitation Years beginning after December 31, 2000, Compensation shall also include any elective amounts that are not includible in the gross income of the employee by reason of Code Section 132(f)(4).

For Limitation Years beginning after December 31, 2001, Compensation shall also include deemed Code Section 125 Compensation. Deemed Code Section 125 compensation is an amount that is excludable under Code Section 106 that is not available to a Participant in cash in lieu of group health coverage under a Code Section 125 arrangement solely because the Participant is unable to certify that he or she has other health coverage. Amounts are deemed Code Section 125 compensation only if the employer does not request or otherwise collect information regarding the Participant's other health coverage as part of the enrollment process for the health plan.

(c) **Defined Benefit Dollar Limitation:** Effective for Limitation Years ending after December 31, 2001, the Defined Benefit Dollar Limitation is \$160,000, automatically adjusted under Code Section 415(d), effective January 1 of each year, as published in the Internal Revenue Bulletin, and payable in the form of a straight life annuity. The new limitation shall apply to Limitation Years ending with or within the calendar year of the date of the adjustment, but a Participant's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year.

(d) **Employer:** For purposes of this Article, employer shall mean the employer that adopts this plan, and all members of a controlled group of corporations, as defined in Code Section 414(b), as modified by Code Section 415(h)), all commonly controlled trades or businesses (as defined in Code Section 414(c), as modified, except in the case of a brother-sister group of trades or businesses under common control, by Code Section 415(h)), or affiliated

service groups (as defined in Code Section 414(m)) of which the adopting employer is a part, and any other entity required to be aggregated with the employer pursuant to Code Section 414(o).

(e) **Formerly Affiliated Plan of the Employer:** A plan that, immediately prior to the cessation of affiliation, was actually maintained by the employer and, immediately after the cessation of affiliation, is not actually maintained by the employer. For this purpose, cessation of affiliation means the event that causes an entity to no longer be considered the employer, such as the sale of a member controlled group of corporations, as defined in Code Section 414(b), as modified by Code Section 415(h), to an unrelated corporation, or that causes a plan to not actually be maintained by the employer, such as transfer of plan sponsorship outside a controlled group.

(f) **Limitation Year: The Plan Year.** All qualified plans maintained by the employer must use the same Limitation Year. If the Limitation Year is amended to a different 12-consecutive month period, the new Limitation Year must begin on a date within the Limitation Year in which the amendment is made.

(g) **Maximum Permissible Benefit:** The Defined Benefit Dollar Limitation (adjusted where required, as provided below).

(1) **Adjustment for Less Than 10 Years of Participation or Service:** If the Participant has less than 10 years of participation with the Employer, the Defined Benefit Dollar Limitation shall be multiplied by a fraction -- (i) the numerator of which is the number of Years (or part thereof, but not less than one year) of Participation in the Plan, and (ii) the denominator of which is 10. In the case of a Participant who has less than 10 Years of Service with the Employer, the Defined Benefit Compensation Limit shall be multiplied by a fraction (1) the numerator of which is the number of Years (or part thereof, but not less than one year) of Service with the Employer, and (ii) the denominator of which is 10.

(2) **Adjustment of Defined-Benefit-Dollar Limitation for Benefit Commencement Before Age 62 or after Age 65:** Effective for benefits commencing in Limitation Years ending after December 31, 2001, the Defined Benefit Dollar Limitation shall be adjusted if the annuity starting date of the Participant's benefit is before age 62 or after age 65. If the annuity starting date is before age 62, the Defined Benefit Dollar Limitation shall be adjusted under Subsection (g)(2)(i), as modified by (g)(2)(iii). If the annuity starting date is after age 65, the Defined Benefit Dollar Limitation shall be adjusted under Subsection (g)(2)(ii), as modified by, Subsection (g)(2)(iii),

(i) **Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement Before Age 62.**

I. **Limitation Years Beginning Before July 1, 2007.** If the annuity starting date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning before July 1, 2007, the Defined Benefit Dollar Limitation for the Participant's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under Subsection (g)(1) above for years of

participation less than 10, if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (1) the interest rate specified in Section 2.1(b) of the Plan and the mortality table (or other tabular factor) specified in Section 2.1(b) of the Plan; or (2) a 5-percent interest rate assumption and the applicable mortality table as defined in Section 2.1(b) of the Plan.

II. Limitation Years Beginning on or After July 1, 2007.

A. Plan Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Age 62 and the Age of Benefit Commencement. If the annuity starting date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan does not have an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, the Defined Benefit Dollar Limitation for the Participant's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under Section 10.4(g)(1) for years of participation less than 10, if required) with actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table for the annuity starting date as defined in Section 2.1(b) of the Plan (and expressing the Participant's age based on completed calendar months as of the annuity starting date).

B. Plan Has Immediately Commencing Straight Life Annuity Payable at Both Age 62 and the Age of Benefit Commencement. If the annuity starting date for the Participant's benefit is prior to age 62 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan has an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, the Defined Benefit Dollar Limitation for the Participant's annuity starting date is the lesser of the limitation determined under Section 10.4(g)(2)(i)(II)(A), and the Defined Benefit Dollar Limitation (adjusted under Section 10.4(g)(1) for years of participation less than 10, if required) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the Participant's annuity starting date to the annual amount of the immediately commencing straight life annuity under the Plan at age 62, both determined without applying the limitations of this Article.

(ii) Adjustment of Defined Benefit Dollar Limitation for Benefit Commencement After Age 65:

I. Limitation Years Beginning Before July 1, 2007. If the annuity starting date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning before July 1, 2007, the Defined Benefit Dollar Limitation for the Participant's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under subsection (g)(1) above for years of participation less than 10, if required) with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (1) the interest rate specified in Section 2.1(b) of the Plan and the mortality table (or other tabular factor) specified in Section 2.1(b) of the Plan; or (2) a 5-percent interest rate assumption and the applicable mortality table as defined in Section 2.1(b) of the Plan.

II. Limitation Years Beginning On or After July 1, 2007.

A. Plan Does Not Have Immediately Commencing Straight Life Annuity Payable at Both Age 65 and the Age of Benefit Commencement. If the annuity starting date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan does not have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, the Defined Benefit Dollar Limitation at the Participant's annuity starting date is the annual amount of a benefit payable in the form of a straight life annuity commencing at the Participant's annuity starting date that is the actuarial equivalent of the Defined Benefit Dollar Limitation (adjusted under Subsection (g)(1) for years of participation less than 10, if required), with actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table for that annuity starting date as defined in Section 2.1(b) of the Plan (and expressing the Participant's age based on completed calendar months as of the annuity starting date).

B. Plan Has Immediately Commencing Straight Life Annuity Payable at Both Age 65 and the Age of Benefit Commencement. If the annuity starting date for the Participant's benefit is after age 65 and occurs in a Limitation Year beginning on or after July 1, 2007, and the Plan has an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, the Defined Benefit Dollar Limitation at the Participant's annuity starting date is the lesser of the limitation determined under Subsection (g)(2)(ii)II.A., and the Defined Benefit Dollar Limitation (adjusted under Subsection (g)(1) for years of participation less than 10, if required) multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age 65, both determined without applying the limitations of this Article.

(iii) Notwithstanding the other requirements of this Subsection (g)(2), in adjusting the Defined Benefit Dollar Limitation for the Participant's annuity starting date under Subsections (g)(2)(i)I. and (g)(2)(i)II.A., (g)(2)(ii)I., (g)(2)(ii)II.A., no adjustment shall be made to the Defined Benefit Dollar Limitation to reflect the probability of a Participant's death between the annuity starting date and age 62, or between age 65 and the annuity starting date, as applicable, if benefits are not forfeited upon the death of the Participant prior to the annuity starting date. To the extent benefits are forfeited upon death before the annuity starting date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the Participant's death if the Plan does not charge Participants for providing a qualified preretirement survivor annuity, as defined in Code Section 417(c), upon the Participant's death.

(3) Minimum benefit permitted: Notwithstanding anything else in this section to the contrary, the benefit otherwise accrued or payable to a Participant under this plan shall be deemed not to exceed the Maximum Permissible Benefit if:

(i) the retirement benefits payable for a Limitation Year under any form of benefit with respect to such Participant under this plan and under all other defined benefit plans (without regard to whether a plan has been terminated) ever maintained by the employer do not exceed \$10,000 multiplied by a fraction — (I) the numerator of which is the Participant's number of Years (or part thereof, but not less than one year) of Service (not to exceed 10) with the employer, and (II) the denominator of which is 10; and

(ii) the employer (or a predecessor employer) has not at any time maintained a defined contribution plan in which the Participant participated (for this purpose, mandatory employee contributions under a defined benefit plan, individual medical accounts under Code Section 401(h), and accounts for postretirement medical benefits established under Code Section 419A(d)(1) are not considered a separate defined contribution plan).

10.5 Predecessor Employer: If the employer maintains a plan that provides a benefit which the Participant accrued while performing services for a former employer, the former employer is a predecessor employer with respect to the Participant in the Plan. A former entity that antedates the employer is also a predecessor employer with respect to a Participant if, under the facts and circumstances, the employer constitutes a continuation of all or a portion of the trade or business of the former entity.

10.6 Severance from Employment: An employee has a severance from employment when the employee ceases to be an employee of the employer maintaining the Plan. An employee does not have a severance from employment if, in connection with a change of employment, the employee's new employer maintains the Plan with respect to the employee.

10.7 Year of Participation: The Participant shall be credited with a Year of Participation (computed to fractional parts of a year) for each accrual computation period for which the following conditions are met: (1) the Participant is credited with at least the number of hours of service (or period of service if the elapsed time method is used) for benefit accrual purposes, required under the terms of the Plan in order to accrue a benefit for the accrual computation period, and (2) the Participant is included as a Participant under the eligibility provisions of the Plan for at least one day of the accrual computation period. If these two conditions are met, the portion of a year of participation credited to the Participant shall equal the amount of benefit accrual service credited to the Participant for such accrual computation period. A Participant who is permanently and totally disabled within the meaning of Code Section 415(c)(3)(C)(i) for an accrual computation period shall receive a Year of Participation with respect to that period. In addition, for a Participant to receive a Year of Participation (or part thereof) for an accrual computation period, the Plan must be established no later than the last day of such accrual computation period. In no event shall more than one Year of Participation be credited for any 12-month period.

10.8 Year of Service: For purposes of Section 10.4(g), the Participant shall be credited with a Year of Service (computed to fractional parts of a year) for each accrual computation period for which the Participant is credited with at least the number of hours of service (or period of service if the elapsed time method is used) for benefit accrual purposes, required under the terms of the Plan in order to accrue a benefit for the accrual computation period, taking into account only service with the employer or a predecessor employer.

10.9 Other Rules:

(a) **Benefits Under Terminated Plans.** If a defined benefit plan maintained by the employer has terminated with sufficient assets for the payment of benefit liabilities of all plan Participants and a Participant in the Plan has not yet commenced benefits under the Plan, the benefits provided pursuant to the annuities purchased to provide the Participant's benefits under the terminated plan at each possible annuity starting date shall be taken into account in applying

the limitations of this Article. If there are not sufficient assets for the payment of all Participants' benefit liabilities, the benefits taken into account shall be the benefits that are actually provided to the Participant under the terminated plan.

(b) **Benefits Transferred From the Plan.** If a Participant's benefits under a defined benefit plan maintained by the employer are transferred to another defined benefit plan maintained by the employer and the transfer is not a transfer of distributable benefits pursuant Treas. Reg. Section 1.411(d)-4, Q&A-3(c), the transferred benefits are not treated as being provided under the transferor plan (but are taken into account as benefits provided under the transferee plan). If a Participant's benefits under a defined benefit plan maintained by the employer are transferred to another defined benefit plan that is not maintained by the employer and the transfer is not a transfer of distributable benefits pursuant to Treas. Reg. Section 1.411(d)-4, Q&A-3(c), the transferred benefits are treated by the employer's plan as if such benefits were provided under annuities purchased to provide benefits under a plan maintained by the employer that terminated immediately prior to the transfer with sufficient assets to pay all Participants' benefit liabilities under the Plan. If a Participant's benefits under a defined benefit plan maintained by the employer are transferred to another defined benefit plan in a transfer of distributable benefits pursuant Treas. Reg. Section 1.411(d)-4, Q&A-3(c), the amount transferred is treated as a benefit paid from the transferor plan.

(c) **Formerly Affiliated Plans of the Employer.** A formerly affiliated plan of an employer shall be treated as a plan maintained by the employer, but the formerly affiliated plan shall be treated as if it had terminated immediately prior to the cessation of affiliation with sufficient assets to pay Participants' benefit liabilities under the Plan and had purchased annuities to provide benefits.

(d) **Plans of a Predecessor Employer.** If the employer maintains a defined benefit plan that provides benefits accrued by a Participant while performing services for a predecessor employer, the Participant's benefits under a plan maintained by the predecessor employer shall be treated as provided under a plan maintained by the employer. However, for this purpose, the Plan of the predecessor employer shall be treated as if it had terminated immediately prior to the event giving rise to the predecessor employer relationship with sufficient assets to pay Participants' benefit liabilities under the Plan, and had purchased annuities to provide benefits; the employer and the predecessor employer shall be treated as if they were a single employer immediately prior to such event and as unrelated employers immediately after the event; and if the event giving rise to the predecessor relationship is a benefit transfer, the transferred benefits shall be excluded in determining the benefits provided under the Plan of the predecessor employer.

(e) **Special Rules.** The limitations of this Article shall be determined and applied taking into account the rules in Treas. Reg. Section 1.415(f)-1(d), (e) and (h).

(f) **Aggregation with Multiemployer Plans.**

(i) If the employer maintains a multiemployer plan, as defined in Code Section 414(f), and the multiemployer plan so provides, only the benefits under the multiemployer plan that are provided by the employer shall be treated as benefits provided under a plan maintained by the employer for purposes of this Article.

10.10 Participant Limitation Applicable to Deferred Contribution Option: If the Defined Contribution Option is elected in Section 12 of the Joinder Agreement the maximum permissible amount which may be contributed or allocated to or made with respect to any Participant which amount shall be the lesser of:

- (1) \$40,000, as adjusted for cost-of-living under Code Section 415(d) (the “Defined Contribution Dollar Limitation”), or
- (2) 100% of the Participant’s Actual Compensation for the Limitation Year.

Notwithstanding any provision of the Plan to the contrary, if the annual additions (within the meaning of Code § 415) are exceeded for any participant, then the Plan may only correct such excess in accordance with the Employee Plans Compliance Resolution System (EPCRS) as set forth in Revenue Procedure 2006-27 or any superseding guidance, including, but not limited to, the preamble of the final § 415 regulations.

10.11 Re-employment of Former Employees: If an Employee’s employment is terminated before he is eligible for a Pension and the Employee is subsequently re-employed by the Employer, the Employee shall not receive any credit for his previous period of employment unless he did not receive a distribution of Contribution Accumulation, except as otherwise provided under Article VIII,-Employment Transfers. Such an Employee not so entitled to credit for such previous period of employment shall be treated in the same manner as a person who was not previously in the employment of any Municipality.

10.12 Re-employment of Retired Employees: If a former Employee retired under this Plan is re-employed by the Employer, and again becomes an Employee under the Plan, no Pension payments shall be made during the period of such re-employment. Upon the subsequent termination of employment by such an Employee the Employee shall be entitled to receive a Pension the amount of which is computed on the basis of his Compensation and Service with the Employer prior to the date of his previous Retirement, as well as his Compensation and Service with the Employer during the period of his re-employment. In the case of re-employment of a retired Employee who received any Pension payments prior to his re-employment, the Pension payable upon his subsequent Retirement shall be equal to the sum of (a) and (b), as follows:

- (a) the same amount he had been receiving for his prior Retirement, adjusted for any applicable cost-of-living adjustments, payable under the same form of annuity elected for his prior Retirement, and
- (b) an amount determined solely for his Compensation and Service with the Employer after re-employment, payable in the form elected under Article V, VI or VII.

10.13 Buyback of Service: If the Employer elects in the Joinder Agreement, then notwithstanding anything to the contrary herein, a Participant who terminates employment with the Employer and receives distribution of his Contribution Accumulation may be recredited with his service if he repays his Contribution Accumulation with the interest that would have accrued on such amount under the terms of the Plan.

ARTICLE XI.

Guarantees and Liabilities

11.1 **Non-Guarantee of Employment:** Nothing contained in this Plan shall be construed as a contract of employment between the Employer and any Employee, or as a right of any Employee to be contained in the employment of the Employer, or as a limitation of the right of the Employer to discharge any of its Employees, with or without cause.

11.2 **Rights to Fund Assets:** No Employee shall have any right to, or interest in, any assets of the Fund upon termination of his employment or otherwise, except as provided from time to time under this Plan, and then only to the extent of the benefits payable to such Employee out of the assets of the Fund. All payments of benefits as provided for in this Plan shall be made solely out of the assets of the Fund and neither the Employer, the Trust Service Provider, the Authorized Agent, nor any individual Trustee shall be liable in any manner.

11.3 **Non-Alienation of Benefits:** The Fund shall be exempt from legal process and no order may be made to hold, seize, garnishee, or attach payments to any person as so provided in Oklahoma Statutes, Title 60:327 and 328 or any statute of similar import. Except as duly required under applicable law (including any domestic relations order) benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind, either voluntary or involuntary, including any liability for alimony or other payments for property settlement or support of a spouse or former spouse, or for any other relative of the Employee, but excluding devolution by death or mental incompetency, prior to being received by the person entitled to the benefit under the terms of the Plan. Except as may be duly required under applicable law, the Fund shall not in any manner be liable for, or subject to, the debts, contracts, liabilities, engagements, or torts of any person entitled to benefits hereunder and none of the unpaid Plan benefits or Trust assets shall be considered an asset of the Employee in the event of his divorce, insolvency, or bankruptcy.

11.4 **Disclaimer of Liability:** Neither the Employer, the Trust Service Provider, the Authorized Agent, the Trustees, nor any individual Trustee guarantees the Fund in any manner against loss or depreciation, and they shall not be liable for any act, or failure to act, which is made in good faith pursuant to the provisions of the Plan. The Employer shall not be responsible for any act, or failure to act, of the Trustees or the Trust Service Provider. The Trustees shall not be responsible for any act, or failure to act, of the Employer or the Authorized Agent.

11.5 **Indemnification of Trustees:** The Trustees shall be indemnified from the assets of the Fund against any and all liabilities arising by reason of any act, or failure to act, made in good faith pursuant to the provisions of the Plan, including expenses reasonably incurred in the defense of any claim relating thereto.

11.6 **Payments Under a Qualified Domestic Relations Order:**

(a) **General:** The Municipality shall follow the terms of any "Qualified Domestic Relations Order" as defined in Subsection (b) below issued with respect to a Participant where such

Qualified Domestic Relations Order grants to an “Alternate Payee” rights in the benefit of the Participant.

(b) The term “Qualified Domestic Relations Order” means an order issued by the District Court of the State of Oklahoma pursuant to the domestic relations laws of the State of Oklahoma which relates to the provision of marital property rights to a spouse or former spouse of a Participant and which creates or recognizes the existence of an Alternate Payee’s right to, or assigns to an Alternate Payee the right to receive a portion of the benefits payable with respect to a Participant of the Plan.

(c) To qualify as an Alternate Payee, a spouse or former spouse must have been married to the Participant for a period of not less than thirty (30) continuous months immediately preceding the commencement of the proceedings from which the Qualified Domestic Relations Order issues.

(d) A Qualified Domestic Relations Order is valid and binding on the Trustees and the Participant only if it meets the requirements of this Section.

(e) A Qualified Domestic Relations Order shall clearly specify:

(1) the name, social security number, and last-known mailing address (if any) of the Participant, and the name and mailing address of the alternative payee covered by the order;

(2) the amount or percentage of the Participant’s benefits to be paid by the Plan to the Alternate Payee;

(3) the characterization of the benefit as to marital property rights, and whether the benefit ceases upon the death or remarriage of the Alternate Payee; and,

(4) each plan to which such order applies.

(f) A Qualified Domestic Relations Order meets the requirements of this Section only if such order:

(1) does not require the Plan to provide any type or form of benefit, or any option not otherwise provided under the Plan;

(2) does not require the Plan to provide increased benefits; and,

(3) does not require the payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee pursuant to another order previously determined to be a Qualified Domestic Relations Order, or an order recognized by the Plan as a valid order prior to the effective date of the Plan.

(g) A Qualified Domestic Relations Order shall not require payment of benefits to an Alternate Payee prior to the actual retirement date of the Participant.

(h) The obligation of the Plan to pay an Alternate Payee pursuant to a Qualified Domestic Relations Order shall cease upon the death of the Participant.

(i) In the event a Qualified Domestic Relations Order requires the benefits payable to an Alternate Payee to terminate upon the remarriage of said Alternate Payee, the Plan shall terminate said benefit only upon the receipt of a certified copy of a marriage license, or a copy of a certified order issued by the Court that originally issued said Qualified Domestic Relations Order declaring the remarriage of said Alternate Payee.

(j) This Section of the Plan shall not be subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), 29 U.S.C.A. Section 1001, et seq., as amended from time to time, or rules and regulations promulgated thereunder, and court cases interpreting said Act.

(k) The Board of Trustees of the Oklahoma Municipal Retirement Fund shall promulgate such rules as are necessary to implement the provisions of this Section.

(l) An Alternate Payee who has acquired beneficiary rights pursuant to a valid Qualified Domestic Relations Order must fully comply with all provisions of the rules promulgated by the Trustees pursuant to this Section in order to continue receiving his or her benefits.

(m) Nothing in this Section shall grant a spouse or former spouse of a Participant any property rights in the benefits of any Participant except as specifically authorized for Qualified Domestic Relations Orders, and no spousal consent shall be required for a Participant to elect or change elections pertaining to a benefit payable under this Plan.

ARTICLE XII.

Amendments

12.1 **Right to Amend:** The Employer shall have the right to make from time to time any amendment or amendments to this Plan, in whole or in part, which do not permit reversion of any part of the Fund to the Employer except as provided in Section 13.4 and which do not cause any part of the Fund to be used for, or diverted to, any purpose other than the exclusive benefit of Employees included in the Plan. Any amendments to this Plan, in whole or in part, may be made from time to time by the Employer by ordinance in the same manner as by this original adoption ordinance, but no such amendatory action shall exceed the power and authority granted to the Employer under the laws of the State of Oklahoma.

12.2 **Amendments** Each Employer agrees to adopt any amendments to this Plan which are necessary for an initial or continued determination that the Plan is a qualified, tax exempt plan under Sections 401(a) and 501(a) of the Code. Any such amendments will be an amendment of the Employer's separate Plan if approved by the Trustee. The Employer may amend its separate Plan in any respect and at any time, subject to the limitations of the Plan, by amendment of or addition to the Joinder Agreement. However, the Oklahoma Municipal Retirement Fund reserves the right to approve all Employer amendments.

12.3 **Authority of Volume Submitter Practitioner to Amend for Adopting Employers.** Effective as of the date of the volume submitter advisory letter from the Internal Revenue Service, the Volume Submitter Practitioner (the "Practitioner") will amend the Plan on behalf of all adopting employers, including those employers who have adopted the Plan prior to this amended and restated Plan, for changes in the Code, regulations, revenue rulings, other statements published by the Internal Revenue Service, including model, sample or other required good faith amendments, but only if their adoption will not cause the Plan to be individually designed, and for corrections of prior approved plans. These amendments will be applied to all employers who have adopted the Plan.

The Practitioner will no longer have the authority to amend the Plan on behalf of any adopting employer as of either: (1) the date the Internal Revenue Service requires the employer to file Form 5300 as an individually designed plan as a result of an employer amendment to the Plan to incorporate a type of plan not allowable in the Volume Submitter program, as described in Rev. Proc. 2005-16, or (2) as of the date the Plan is otherwise considered an individually designed plan due to the nature and extent of the amendments. If the Employer is required to obtain a determination letter for any reason in order to maintain reliance on the advisory letter, the Practitioner's authority to amend the Plan on behalf of the adopting employer is conditioned on the Plan receiving a favorable determination letter.

The Practitioner will maintain, or have maintained on its behalf, a record of the employers that have adopted the Plan, and the Practitioner will make reasonable and diligent efforts to ensure that adopting employers have actually received and are aware of all Plan amendments and that such employers adopt new documents when necessary. This Section supersedes other provisions of the Plan to the extent those other provisions are inconsistent with this Section.

ARTICLE XIII.

Termination

13.1 **Right to Terminate:** The Employer may at any time terminate the Plan by proper ordinance and may direct and require the Trustees to liquidate the Fund. If the Employer shall for any reason cease to exist, the Plan shall terminate and the Fund shall be liquidated, unless continued by a successor.

13.2 **Liquidation of Fund:** Upon termination of the Plan or a permanent discontinuance of Employer contributions, the assets of the Fund which have been allocated for the Employees, and interests of the Employees therein as determined by the actuaries, shall be liquidated, after provision is made for the expenses of liquidation, by the payment (or provision for the payment) of benefits accrued prior to the date of termination in the following order of precedence:

(a) The Contribution Accumulation of each Employee or former Employee entitled thereto under Article VIII, as of the date of such Plan termination, or earlier date of death or Retirement, less other benefit payments, if any, previously received in each case by or on behalf of each such Employee, former Employee, or other eligible Beneficiary. Any such withdrawals on the part of such persons will reduce their interests in distributions under categories (b), (c), (d) and (e) below, on a proportionate basis, as determined by the actuary. Any such person may elect not to take such withdrawals, and have the value thereof included in the actuary's determination of his distributions under categories (b), (c), (d) and (e) below.

(b) Pensions or other benefits in course of payment to retired Participants, and Beneficiaries of deceased Participants and immediate Pensions for Employees or former Employees entitled thereto under Article VIII, who have reached their Normal Retirement Dates but have not retired.

(c) Pensions deferred to Normal Retirement Date for Participation who have qualified for an Early Pension.

(d) Pensions deferred to Normal Retirement Date for Participants who have qualified for a Deferred Vested Pension.

If the funds available in any of categories (b), (c), or (d) are determined to be insufficient to provide all such benefits the funds and benefits shall be apportioned among the various persons, first in category (b), next in category (c), and next in category (d), in the same proportion as each person's accrued credits bears to the accrued credits of all persons in each such category on an Actuarial Equivalent basis as determined by the actuary.

(e) If the cost of providing for the benefits, first in category (b), next in category (c), and next in category (d) is determined to be less than the total funds available, the balance will revert to the Employer.

The benefit any such Participant is entitled to receive under this Plan shall be based on the Employee's Compensation and Service accrued with the Employer prior to the date of

termination of the Plan, and his right to such benefit shall be considered as vested to the extent funded, regardless of his age and years of Service on the date of termination of the Plan.

13.3 Manner of Distribution: Any distribution after termination of the Plan or permanent discontinuance of Employer contributions, shall be made as soon as administratively feasible, at such times and in such amounts so that no discrimination results, in cash, in securities or other assets in kind (at fair market value), in continued direct payment Pensions, or in nontransferable life insurance or annuity contracts, as the Committee in its discretion, shall determine. In making such distribution, any and all determinations, divisions, appraisals, apportionments and allotments so made shall be final and conclusive and not subject to question by any person.

13.4 Consolidation or Merger: Upon the Employer's liquidation, bankruptcy, insolvency, sale, consolidation, or merger to or with another governmental unit in which such Employer is not the surviving unit, the Plan and Fund will terminate and the Fund assets shall be held or distributed as herein provided, unless the successor to the Employer assumes the duties and responsibilities of the Employer by adopting this Plan, or by the establishment of a separate Plan to which the Fund assets shall be transferred with the consent and agreement of the Employer.

13.5 Limitations: The order of priorities for distribution set forth above in Section 13.2, in the event of termination of the Plan, shall be subject to (a) the limitations provided in Article X, and (b) such distributions not being determined to be otherwise discriminatory by the Commissioner of Internal Revenue. In the event such either the limitations under Article X become effective or the Commissioner of Internal Revenue rules that the distributions are otherwise discriminatory, adjustments shall be made in the said priorities and amounts of distributions as may be necessary to satisfy the requirements of Article X or of the Commissioner as the case may be.

ARTICLE XIV.

General

14.1 **Not Contract Between Employer and Participant:** Neither the creation of this Plan, nor any amendment to it, nor the creation of any fund, nor the payment of benefits hereunder shall be construed as giving any legal or equitable right to any Participant against the Employer or against the Oklahoma Municipal Retirement Fund, except as provided herein, and all liabilities under this Plan shall be satisfied, if at all, only out of the Fund held by the Oklahoma Municipal Retirement Fund. Participation in the Plan shall not give any Participant any right to be retained in the employ of the Employer, and the Employer hereby expressly retains the right to hire and discharge any Participant at any time with or without cause, as if this Plan had not been adopted, and any such discharged Participant shall have only such rights or interests in the Fund as may be specified herein.

14.2 **Payment of Fees:** The Employer shall pay a fee in an amount determined and revised from time to time by the Oklahoma Municipal Retirement Fund.

14.3 **Governing Law:** The validity, construction and administration of this Plan shall be determined under the laws of the State of Oklahoma.

14.4 **Counterpart Execution:** This Plan may be executed in two or more counterparts, as may be all amendments thereto be executed, and any one of the executed copies shall be deemed an original.

14.5 **Severability:** Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Plan.

14.6 **Number and Gender:** Pronouns and other similar words used herein in the masculine gender shall be read as the feminine gender where appropriate; pronouns and other similar words used herein in the neuter gender shall be read as the masculine or feminine gender where appropriate; and the singular form of words shall be read as the plural where appropriate.

14.7 **Compensation and Expenses of Administration:** If a Trustee, a member of Oklahoma Municipal Retirement Fund, or a member of the Committee is an Employee of the Employer, he shall serve without any additional compensation. The Employer may pay all or part of the expenses of administration of the Plan, including the compensation and expenses of the Trustee, and any other expenses incurred at the direction of the Oklahoma Municipal Retirement Fund, including, without limitation, fees of actuaries, accountants, attorneys, investment managers, investment advisors and other specialists, and any other costs of administering the Plan. To the extent that any of such expenses are not paid by the Employer, such expenses shall be paid by the Oklahoma Municipal Retirement Fund out of the Fund.

14.8 **Incorporation of Trust Agreement:** The provisions of the Trust Indenture Establishing the Oklahoma Municipal Retirement Fund are incorporated into and made a part of this Plan.

14.9 **Mistake of Fact:** All contributions to the Plan are made subject to the correctness of the amount. In the event a contribution is made to the Plan and Trust by the Employer under a mistake of fact concerning the correctness of such contribution, then the Oklahoma Municipal Retirement Fund shall return such portion of such contribution which is in excess of the amount that would have been contributed had there not occurred a mistake of fact within one year after the payment of the contribution to the Oklahoma Municipal Retirement Fund.

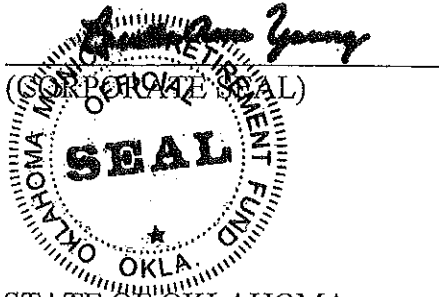
In the case of amounts returned pursuant to this Section 14.9, no earnings attributable to such amounts may be returned to the Employer, but losses attributable thereto shall reduce the amount returned, and no such return shall reduce the balance of any Participant's Municipality Contribution Accounts to less than the balance which would have been credited thereto had such amount not been contributed.

WITNESS WHEREOF, and as conclusive evidence of the adoption of the foregoing instrument comprising the Plan, the Oklahoma Municipal Retirement Fund has caused its corporate seal to be affixed hereto and these presents to be duly executed in its name and behalf by its proper officers thereunto authorized this 25 day of July, 2014

OKLAHOMA MUNICIPAL RETIREMENT
FUND

ATTEST:

By George Wilkerson



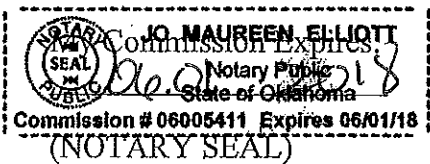
STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

BEFORE ME, the undersigned a Notary Public in and for said County and State, on this 25 day of July, 2014, personally appeared George Wilkerson, to me known to be the identical person who subscribed the name of the Oklahoma Municipal Retirement Fund, a municipal corporation, to the foregoing instrument as its Chairperson and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, the day and year last above written.

Jo Maureen Elliott
Notary Public

My Commission No.: 06005411



**ADDENDUM NUMBER ONE TO
OKLAHOMA MUNICIPAL RETIREMENT FUND
MASTER DEFINED BENEFIT PLAN**

**AMENDMENT FOR PENSION PROTECTION ACT, HEART ACT, WORKER, RETIREE, AND
EMPLOYER RECOVERY ACT, AND OTHER LAW CHANGES**

**ARTICLE I
PREAMBLE**

- 1.1 **Adoption and effective date of Amendment.** This Amendment to the Oklahoma Municipal Retirement Fund Master Defined Benefit Plan (the "Plan") is adopted on behalf of all adopting employers to reflect recent law changes. This Amendment is effective as indicated below for the respective provisions.
- 1.2 **Superseding of inconsistent provisions.** This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.
- 1.3 **Construction.** Except as otherwise provided in this Amendment, any reference to "Section" in this Amendment refers only to sections within this Amendment, and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to any Plan article, section or other numbering designations.

**ARTICLE II
PENSION FUNDING EQUITY ACT OF 2004 AS
MODIFIED BY SUBSEQUENT LEGISLATION**

- 2.1 **General Rule.** This Article applies to the determination of the Code Section 415 limits.
 - 2.1.1 **Effective date.** The Employer adopts this Article II to reflect certain provisions of the Pension Funding Equity Act of 2004 (PFEA), as modified by the Pension Protection Act of 2006 and the Worker, Retiree and Employer Recovery Act of 2008. Except as otherwise provided herein, effective for distributions in Plan Years beginning after December 31, 2003, the required determination of actuarial equivalence of forms of benefit other than a straight life annuity shall be made in accordance with this Article. However, this Article does not supersede any prior election to apply the transition rule of section 101(d)(3) of PFEA as described in Notice 2004-78.
 - 2.1.2 **Definition of "Applicable Mortality Table."** Effective for annuity starting dates in a Plan Year beginning on or after January 1, 2008, for purposes of this Article, the "applicable mortality table" means the applicable mortality table within the meaning of Code Section 417(e)(3)(B) as described in Revenue Ruling 2007-67.
- 2.2 **Benefit Forms Not Subject to the Present Value Rules of Code Section 417(e)(3).**
 - 2.2.1 **Form of benefit.** The straight life annuity that is actuarially equivalent to the Participant's form of benefit shall be determined under this Section 2.2 if the form of the Participant's benefit is either:
 - (a) A nondecreasing annuity (other than a straight life annuity) payable for a period of not less than the life of the Participant (or, in the case of a qualified pre-retirement survivor annuity, the life of the surviving spouse), or
 - (b) An annuity that decreases during the life of the Participant merely because of:
 - (1) The death of the survivor annuitant (but only if the reduction is not below 50% of the benefit payable before the death of the survivor annuitant), or
 - (2) The cessation or reduction of Social Security supplements or qualified disability payments (as defined in Code Section 401(a)(11)).
 - 2.2.2 **Limitation Years beginning before July 1, 2007.** For Limitation Years beginning before July 1, 2007, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant's form of benefit computed using whichever of the following produces the greater annual amount:

- (a) the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and
- (b) a 5 percent interest rate assumption and the “applicable mortality table” defined in the Plan for that annuity starting date.

2.2.3 **Limitation Years beginning on or after July 1, 2007.** For Limitation Years beginning on or after July 1, 2007, the actuarially equivalent straight life annuity is equal to the greater of:

- (a) The annual amount of the straight life annuity (if any) payable to the Participant under the Plan commencing at the same annuity starting date as the Participant’s form of benefit; and
- (b) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant’s form of benefit, computed using a 5 percent interest rate assumption and the applicable mortality table defined in the Plan for that annuity starting date.

2.3 **Benefit Forms Subject to the Present Value Rules of Code Section 417(e)(3).**

2.3.1 **Form of benefit.** The straight life annuity that is actuarially equivalent to the Participant’s form of benefit shall be determined as indicated under this Section 2.3 if the form of the Participant’s benefit is other than a benefit form described in Section 2.2.1.

2.3.2 **Annuity Starting Date in small plans for Plan Years Beginning in 2009 and later.** Notwithstanding anything in this Amendment to the contrary, if the annuity starting date of the Participant’s form of benefit is in a Plan Year beginning in or after 2009, and if the Plan is maintained by an eligible employer as defined Code Section 408(p)(2)(C)(i), the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant’s form of benefit, computed using whichever of the following produces the greater annual amount:

- (a) The interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and
- (b) A 5.5 percent interest rate assumption and the applicable mortality table described in Section 2.1.2.

2.3.3 **Annuity Starting Date in Plan Years Beginning After 2005.** Except as provided in Section 2.3.2, if the annuity starting date of the Participant’s form of benefit is in a Plan Year beginning after December 31, 2005, the actuarially equivalent straight life annuity is equal to the greatest of:

- (a) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant’s form of benefit, computed using the interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form;
- (b) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant’s form of benefit, computed using a 5.5 percent interest rate assumption and the applicable mortality table for the distribution under Regulations Section 1.417(e)-1(d)(2) (determined in accordance with Section 2.1.2 for Plan Years after the effective date specified below); and
- (c) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the Participant’s form of benefit, computed using the applicable interest rate for the distribution under Regulations Section 1.417(e)-1(d)(3) (determined in accordance with Section 2.1.2 for Plan Years on or after January 1, 2008 and the applicable mortality table for the distribution under Regulations Section 1.417(e)-1(d)(2) (determined in accordance with Section 2.1.2 for Plan Years after the effective date specified below), divided by 1.05.

The effective date of the applicable mortality table above is for years beginning after December 31, 2008.

2.3.4 **Annuity Starting Date in Plan Years Beginning in 2004 or 2005.** If the annuity starting date of the Participant’s form of benefit is in a Plan Year beginning in 2004 or 2005, the actuarially equivalent straight life annuity is equal to the annual amount of the straight life annuity commencing at the same annuity starting

date that has the same actuarial present value as the Participant's form of benefit, computed using whichever of the following produces the greater annual amount:

- (a) The interest rate and the mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form; and
- (b) A 5.5 percent interest rate assumption and the applicable mortality table for the distribution under Regulations Section 1.417(e)-1(d)(2).

However, this Section does not supersede any prior election to apply the transition rule of section 101(d)(3) of PFEA as described in Notice 2004-78.

2.3.5 **Applicable interest rate.** For purposes of the Plan's provisions relating to the calculation of the present value of a benefit payment that is subject to Code Section 417(e), as well as any other Plan provision referring directly or indirectly to the "applicable interest rate" or "applicable mortality table" used for purposes of Code Section 417(e), any provision prescribing the use of the annual rate of interest on 30-year U.S. Treasury securities shall be implemented by instead using the rate of interest determined by applicable interest rate described by Code Section 417(e) after its amendment by PPA. Specifically, the applicable interest rate shall be the adjusted first, second, and third segment rates applied under the rules similar to the rules of Code Section 430(h)(2)(C) for the calendar month (lookback month) before the first day of the Plan Year in which the annuity starting date occurs (stability period). For this purpose, the first, second, and third segment rates are the first, second, and third segment rates which would be determined under Code Section 430(h)(2)(C) if:

- (a) Code Section 430(h)(2)(D) were applied by substituting the average yields for the month described in the preceding paragraph for the average yields for the 24-month period described in such section, and
- (b) Code Section 430(h)(2)(G)(i)(II) were applied by substituting "Section 417(e)(3)(A)(ii)(II) for "Section 412(b)(5)(B)(ii)(II)," and
- (c) The applicable percentage under Code Section 430(h)(2)(G) is treated as being 20% in 2008, 40% in 2009, 60% in 2010, and 80% in 2011.

ARTICLE III DIRECT ROLLOVER OF NON-SPOUSAL DISTRIBUTION

- 3.1 **Non-spouse beneficiary rollover right.** For distributions after December 31, 2006, a non-spouse beneficiary who is a "designated beneficiary" under Code Section 401(a)(9)(E) and the Regulations thereunder, by a direct trustee-to-trustee transfer ("direct rollover"), may roll over all or any portion of his or her distribution to an Individual Retirement Account (IRA) the beneficiary establishes for purposes of receiving the distribution. In order to be able to roll over the distribution, the distribution otherwise must satisfy the definition of an "eligible rollover distribution" under Code Section 401(a)(31).
- 3.2 **Certain requirements not applicable.** Although a non-spouse beneficiary may roll over directly a distribution as provided in Section 3.1 of this Amendment, the distribution, if made prior to January 1, 2010, is not subject to the direct rollover requirements of Code Section 401(a)(31) (including Code Section 401(a)(31)(B)), the notice requirements of Code Section 402(f) or the mandatory withholding requirements of Code Section 3405(c). If a non-spouse beneficiary receives a distribution from the Plan, the distribution is not eligible for a 60-day (non-direct) rollover.
- 3.3 **Trust beneficiary.** If the Participant's named beneficiary is a trust, the Plan may make a direct rollover to an IRA on behalf of the trust, provided the trust satisfies the requirements to be a designated beneficiary within the meaning of Code Section 401(a)(9)(E).
- 3.4 **Required minimum distributions not eligible for rollover.** A non-spouse beneficiary may not roll over an amount that is a required minimum distribution, as determined under applicable Regulations and other Internal Revenue Service guidance. If the Participant dies before his or her required beginning date and the non-spouse beneficiary rolls over to an IRA the maximum amount eligible for rollover, the beneficiary may elect to use either the 5-year rule or the life expectancy rule, pursuant to Regulations Section 1.401(a)(9)-3, A-4(c), in determining the required minimum distributions from the IRA that receives the non-spouse beneficiary's distribution.

**ARTICLE IV
ROLLOVER OF AFTER-TAX AMOUNTS**

- 4.1 **Direct rollover to qualified plan/403(b) plan.** For taxable years beginning after December 31, 2006, a Participant may elect to transfer employee after-tax contributions by means of a direct rollover to a qualified plan or to a 403(b) plan that agrees to account separately for amounts so transferred (including interest thereon), including accounting separately for the portion of such distribution which is includible in gross income and the portion of such distribution which is not includible in gross income.

**ARTICLE V
PARTICIPANT DISTRIBUTION NOTIFICATION**

- 5.1 **180-day notification period.** For any distribution notice issued in Plan Years beginning after December 31, 2006, any reference to the 90-day maximum notice period requirements of Code Sections 402(f) (the rollover notice) is changed to 180 days.

**ARTICLE VI
QUALIFIED DOMESTIC RELATIONS ORDERS**

- 6.1 **Permissible QDROs.** Effective on or after April 6, 2007, a domestic relations order that otherwise satisfies the requirements for a qualified domestic relations order (QDRO) will not fail to be a QDRO: (i) solely because the order is issued after, or revises, another domestic relations order or QDRO; or (ii) solely because of the time at which the order is issued, including issuance after the annuity starting date or after the Participant's death.
- 6.2 **Other QDRO requirements apply.** A domestic relations order described in Section 6.1 is subject to the same requirements and protections that apply to QDROs.

**ARTICLE VII
DIRECT ROLLOVER TO ROTH IRA**

- 7.1 **Roth IRA rollover.** For distributions made after December 31, 2007, a Participant or beneficiary may elect to roll over directly an "eligible rollover distribution" to a Roth IRA described in Code Section 408A(b). For this purpose, the term "eligible rollover distribution" includes a rollover distribution described in Article IV, if applicable.

**ARTICLE VIII
HEART ACT PROVISIONS**

- 8.1 **Death benefits.** In the case of a death or disability occurring on or after January 1, 2007, if a participant dies while performing qualified military service (as defined in Code Section 414(u)), the survivors of the Participant are entitled to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan as if the participant had resumed and then terminated employment on account of death.
- 8.2 **Differential wage payments.** For years beginning after December 31, 2008, (i) an individual receiving a differential wage payment, as defined by Code Section 3401(h)(2), shall be treated as an Employee of the Employer making the payment, (ii) the differential wage payment shall be treated as compensation, and (iii) the Plan shall not be treated as failing to meet the requirements of any provision described in Code Section 414(u)(1)(C) by reason of any contribution or benefit which is based on the differential wage payment.

This Amendment is hereby adopted by the Volume Submitter Practitioner on behalf of all adopting employers, and has been executed this 29 day of MAY, 2012.

Volume Submitter Practitioner for the Oklahoma Municipal
Retirement Fund Master Defined Benefit Plan: McAfee &
Taft A Professional Corporation

By: John C. Papadimitriou
Name: John C. Papadimitriou

APPENDIX I

The following pages contain the actuarial factors needed to determine Actuarially Equivalent options under the Plan.

Oklahoma Municipal Retirement Fund

Appendix I

LUMP SUM FACTORS BASED ON 5 OR 10 YEAR CERTAIN & LIFE NORMAL FORM

Age	5 Years Certain & Life		10 Years Certain & Life		
	Immediate	Deferred to 55	Immediate	Deferred to 55	Deferred to 65
20	13.52555	0.84093	13.53249	0.85197	0.33065
21	13.50397	0.90430	13.51132	0.91617	0.35556
22	13.48098	0.97246	13.48875	0.98522	0.38236
23	13.45645	1.04576	13.46471	1.05949	0.41119
24	13.43030	1.12462	13.43908	1.13938	0.44219
25	13.40243	1.20944	13.41178	1.22532	0.47554
26	13.37272	1.30068	13.38271	1.31776	0.51142
27	13.34108	1.39884	13.35177	1.41720	0.55002
28	13.30736	1.50444	13.31884	1.52419	0.59154
29	13.27147	1.61805	13.28379	1.63929	0.63621
30	13.23325	1.74029	13.24651	1.76313	0.68427
31	13.19259	1.87182	13.20686	1.89639	0.73599
32	13.14933	2.01337	13.16473	2.03980	0.79164
33	13.10332	2.16569	13.11998	2.19412	0.85154
34	13.05440	2.32965	13.07249	2.36023	0.91600
35	13.00239	2.50612	13.02214	2.53902	0.98539
36	12.94725	2.69614	12.96889	2.73153	1.06011
37	12.88857	2.90069	12.91245	2.93877	1.14053
38	12.82622	3.12092	12.85276	3.16189	1.22713
39	12.76009	3.35809	12.78973	3.40217	1.32038
40	12.69006	3.61356	12.72329	3.66099	1.42083
41	12.61605	3.88883	12.65340	3.93988	1.52907
42	12.53799	4.18554	12.57997	4.24049	1.64573
43	12.45582	4.50549	12.50297	4.56464	1.77153
44	12.36952	4.85066	12.42233	4.91434	1.90725
45	12.27904	5.22323	12.33800	5.29180	2.05374
46	12.18435	5.62560	12.24990	5.69945	2.21196
47	12.08544	6.06045	12.15796	6.14000	2.38293
48	11.98222	6.53067	12.06207	6.61639	2.56782
49	11.87454	7.03944	11.96207	7.13184	2.76787
50	11.76223	7.59025	11.85783	7.68989	2.98444
51	11.64503	8.18689	11.74916	8.29436	3.21904
52	11.52266	8.83351	11.63588	8.94947	3.47329
53	11.39479	9.53467	11.51786	9.65984	3.74898
54	11.26107	10.29538	11.39497	10.43053	4.04809
55	11.12118	11.12118	11.26717	11.26717	4.37279
56	10.97478	10.97478	11.13444	11.13444	4.72548
57	10.82160	10.82160	10.99687	10.99687	5.10882
58	10.66145	10.66145	10.85466	10.85466	5.52586
59	10.49434	10.49434	10.70814	10.70814	5.98006
60	10.32040	10.32040	10.55772	10.55772	6.47547
61	10.13992	10.13992	10.40389	10.40389	7.01677
62	9.95332	9.95332	10.24720	10.24720	7.60941
63	9.76118	9.76118	10.08822	10.08822	8.25984
64	9.56419	9.56419	9.92760	9.92760	8.97568
65	9.36310	9.36310	9.76603	9.76603	9.76603

Oklahoma Municipal Retirement Fund

Appendix I

LUMP SUM FACTORS BASED ON 5 OR 10 YEAR CERTAIN & LIFE NORMAL FORM

Age	5 Years Certain & Life		10 Years Certain & Life		
	Immediate	Deferred to 55	Immediate	Deferred to 55	Deferred to 65
66	9.15871	9.15871	9.60428	9.60428	9.60428
67	8.95176	8.95176	9.44317	9.44317	9.44317
68	8.74284	8.74284	9.28351	9.28351	9.28351
69	8.53235	8.53235	9.12608	9.12608	9.12608
70	8.32065	8.32065	8.97163	8.97163	8.97163
71	8.10802	8.10802	8.82088	8.82088	8.82088
72	7.89486	7.89486	8.67452	8.67452	8.67452
73	7.68188	7.68188	8.53332	8.53332	8.53332
74	7.47013	7.47013	8.39802	8.39802	8.39802
75	7.26086	7.26086	8.26934	8.26934	8.26934
76	7.05545	7.05545	8.14789	8.14789	8.14789
77	6.85525	6.85525	8.03411	8.03411	8.03411
78	6.66140	6.66140	7.92827	7.92827	7.92827
79	6.47473	6.47473	7.83046	7.83046	7.83046
80	6.29580	6.29580	7.74065	7.74065	7.74065
81	6.12490	6.12490	7.65871	7.65871	7.65871
82	5.96211	5.96211	7.58445	7.58445	7.58445
83	5.80738	5.80738	7.51755	7.51755	7.51755
84	5.66051	5.66051	7.45765	7.45765	7.45765
85	5.52126	5.52126	7.40437	7.40437	7.40437
86	5.38942	5.38942	7.35747	7.35747	7.35747
87	5.26512	5.26512	7.31665	7.31665	7.31665
88	5.14823	5.14823	7.28145	7.28145	7.28145
89	5.03864	5.03864	7.25141	7.25141	7.25141
90	4.93649	4.93649	7.22610	7.22610	7.22610
91	4.84207	4.84207	7.20507	7.20507	7.20507
92	4.75535	4.75535	7.18788	7.18788	7.18788
93	4.67591	4.67591	7.17406	7.17406	7.17406
94	4.60337	4.60337	7.16321	7.16321	7.16321
95	4.53804	4.53804	7.15495	7.15495	7.15495
96	4.47961	4.47961	7.14893	7.14893	7.14893
97	4.42704	4.42704	7.14478	7.14478	7.14478
98	4.38017	4.38017	7.14216	7.14216	7.14216
99	4.33885	4.33885	7.14072	7.14072	7.14072
100	4.30308	4.30308	7.14006	7.14006	7.14006
101	4.27296	4.27296	7.13985	7.13985	7.13985
102	4.24874	4.24874	7.13985	7.13985	7.13985
103	4.23059	4.23059	7.13985	7.13985	7.13985
104	4.21837	4.21837	7.13985	7.13985	7.13985
105	4.21133	4.21133	7.13985	7.13985	7.13985
106	4.20843	4.20843	7.13985	7.13985	7.13985
107	4.20843	4.20843	7.13985	7.13985	7.13985

Basis: .75 (83GAM.M) + .25 (83GAM.F) - 7.5% Interest

Oklahoma Municipal Retirement Fund

Appendix I

LUMP SUM FACTORS BASED ON 5 OR 10 YEAR CERTAIN & LIFE NORMAL FORM

PROCEDURES

1. Determine the normal form of annuity for the employer's plan: 5 year certain & life or 10 year certain & life. Only the corresponding columns of Appendix I should be used.
2. If the Participant is eligible for immediate payment (under Early, Normal, or Late Retirement) multiply the annual payment amount under the normal form (after any reductions for early payment) by the "Immediate" factor for the Participant's payment start age in completed months. Factors should be interpolated between the two bracketing ages.
3. If the Participant is not eligible for immediate payment (Deferred Vested Retirement), multiply the annual payment amount starting at age 65 under the normal form (after any reductions for early payment) by the "Deferred to 55" factor for the Participant's age at the time the lump-sum payment is to be made. Interpolate factors for the Participant's age in completed months.

EXAMPLES

- | | |
|--------------------------|--|
| 1. Age | 60 and 6 months |
| Normal Form | 10 years certain & life |
| Accrued Benefit | \$500.00 / month |
| Reduced Early Benefit | \$387.50 / month |
| Lump Sum Factor | 10.48080 |
| Lump Sum | $12 \times \$387.50 \times 10.48080 = \$48,735.72$ |
| | |
| 2. Age | 45 and 6 months |
| Normal Form | 5 years certain & life |
| Accrued Benefit | \$200.00 / month |
| Reduced Early Benefit at | \$100.00 / month |
| Lump Sum Factor | 5.42442 |
| Lump Sum | $12 \times \$100.00 \times 5.42442 = \$6,509.30$ |