

**HUB International Limited**  
**GOVERNMENTAL PRE-APPROVED DEFINED BENEFIT PLAN**  
**ADOPTION AGREEMENT #07-001**

By executing this Governmental Pre-Approved Defined Benefit Plan Adoption Agreement (the "Adoption Agreement"), the undersigned Employer agrees to establish or continue a Defined Benefit Plan. The Defined Benefit Plan adopted by the Employer consists of the Governmental Pre-Approved Defined Benefit Basic Plan Document #07 (the "BPD") and the elections made under this Adoption Agreement #001 (collectively referred to as the "Plan"). An Employer may jointly co-sponsor the Plan by signing a Participating Employer Adoption Page, which is attached to this Adoption Agreement. **This Plan is effective as of the Effective Date identified on the Signature Page of this Adoption Agreement.**

**SECTION 1**  
**EMPLOYER INFORMATION**

*The information contained in this Section 1 is informational only. The information set forth in this Section 1 may be modified without re-executing this Adoption Agreement. Any changes to this Section 1 may be accomplished by substituting a new Section 1 with the updated information. The information contained in this Section 1 is not required for qualification purposes and any changes to the provisions under this Section 1 will not affect the Employer's reliance on the IRS favorable advisory letter.*

**1-1 EMPLOYER INFORMATION:**

Name: Manor Township, Armstrong County

Address: 306 Byron Street

P.O. Box 144

City, State, Zip Code: McGrann, PA 16236

Telephone: (724) 763-9215

**1-2 EMPLOYER IDENTIFICATION NUMBER (EIN):** 25-6002049

**1-3 FORM OF BUSINESS:**

State or political subdivision of a State

State agency or instrumentality

Indian Tribal Government

Describe other Employer qualified to adopt a Governmental Plan: \_\_\_\_\_

*[Note: Any entity entered under "Other" must be an employer that may adopt a Governmental Plan.]*

**1-4 EMPLOYER'S TAX YEAR END:** The Employer's tax year ends December 31

**1-5 RELATED EMPLOYERS:** List any Related Employers (as defined in Section 1.89 of the Plan). A Related Employer must complete a Participating Employer Adoption Page for Employees of that Related Employer to participate in this Plan.

*[Note: This AA §1-5 is for informational purposes. The failure to list all Related Employers will not jeopardize the qualified status of the Plan.]*

**SECTION 2**  
**PLAN INFORMATION**

**2-1 PLAN NAME:** Manor Township, Armstrong County Police Pension Plan

Original Effective Date: January 1, 2020

Restatement Effective Date: January 1, 2025

**2-2 PLAN NUMBER:** 001

2-3 **PLAN YEAR:**

- (a) Calendar year  
 (b) The 12-consecutive month period ending on \_\_\_\_ each year.  
 (c) The Plan has a short Plan Year running from \_\_\_\_ to \_\_\_\_.

2-4 **FROZEN PLAN:**

- (a) Effective \_\_\_\_, no new Participants will enter the Plan.  
 (b) Effective \_\_\_\_, Participants will not accrue additional benefits under the Plan.

[*Note: As a frozen Plan, no Employee will accrue any benefits with respect to Plan Compensation earned after such date.*]

2-5 **PLAN ADMINISTRATOR:**

- (a) The Employer identified in AA §1-1.  
 (b) Name: Pennsylvania State Association of Township Supervisors  
Address: 4855 Woodland Drive Enola, PA 17025  
Telephone: (800) 382-1268  
Email: pension@psats.org

2-6 **MULTIPLE EMPLOYER PLAN.** Unless elected below, the Plan is NOT intended to be a Multiple Employer Plan.

- The Plan is intended to be a Multiple Employer Plan. (See Section 16.06 of the Plan for special rules applicable to Multiple Employer Plans.)

**SECTION 3  
ELIGIBLE EMPLOYEES**

3-1 **ELIGIBLE EMPLOYEES.** In addition to the Employees identified in Section 2.02 of the Plan, the following Employees are excluded from participation under the Plan. (See Sections 2.02(d) and (e) of the Plan for rules regarding the effect on Plan participation if an Employee changes between an eligible and ineligible class of employment.)

- (a) No exclusions.  
 (b) Collectively Bargained Employees.  
 (c) Non-resident aliens who receive no compensation from the Employer which constitutes U.S. source income.  
 (d) Leased Employees.  
 (e) Employees paid on an hourly basis.  
 (f) Employees paid on a salaried basis.  
 (g) Other: Employees who are not employed as Police Officers. Employees who are not permanent employees and those who work less than 40 hours per week.

[*Note: Any provision added under this subsection (g) must relate to eligibility of Employees to participate in the Plan. The exclusions inserted may not result in a specifically named individual or a finite group (such as employees hired before a certain date) being the only employee or employees participating under the plan. It is permissible to limit participation under the plan to an employee or employees of a specifically named position or positions.*]

3-2 **EMPLOYEES OF AN EMPLOYER ACQUIRED AS PART OF A CODE §410(b)(6)(C) TRANSACTION.**

[*Note: For this purpose, a Code §410(b)(6)(C) transaction includes an asset sale, stock sale or other disposition or acquisition that results in the movement of Employees from one Employer to another Employer or causes a change in status as a Related Employer group.*]

- (a) An Employee acquired as part of a Code §410(b)(6)(C) transaction will become an Eligible Employee as of the date of the transaction (unless otherwise excluded under AA §3-1 or this AA §3-2). (See Section 2.02(g) of the Plan.)  
 (b) Employees of an Employer acquired as part of a Code §410(b)(6)(C) transaction will not become an Eligible Employee until after the expiration of the transition period described in Code §410(b)(6)(C)(ii) (i.e., the period beginning on the date

of the transaction and ending on the last day of the first Plan Year beginning after the date of the transaction). (See Section 2.02(g) of the Plan.)

- (c) All Employees of any Employer acquired as part of a Code §410(b)(6)(C) transaction are excluded and will NOT become an Eligible Employee upon the expiration of the transition period described in Code §410(b)(6)(C)(ii), unless otherwise provided elsewhere under the Plan.
- (d) The following Employees of acquired employers are excluded/included under the Plan:

*[Note: This subsection (d) may be used to provide for the inclusion or exclusion of Employees with respect to specific Employers or Employees at a time other than provided under this AA §3-2. Any provision added in this subsection (d) must relate to the coverage of Employees of an Employer acquired as part of a Code §410(b)(6)(C) transaction.]*

- (e) Describe any special rules that apply for purposes of applying the rules under this AA §3-2: \_\_\_\_\_

*[Note: Employees acquired under a Code §410(b)(6)(C) transaction are eligible or not eligible to participate under the Plan, as provided under this AA §3-2. However, see Section 2.02(c) of the Plan for rules regarding the coverage of Employees of a Related Employer and AA §4-5 for rules regarding the crediting of service with a Predecessor Employer. Any special rules must relate to the coverage of Employees of an Employer acquired as part of a Code §410(b)(6)(C) transaction and are subject to the minimum coverage requirements under Code §410(b) and the nondiscrimination rules under Code §401(a)(4). For Related Employers, elections under this AA §3-2 are subject to the completion of a Participating Employer Adoption Page.]*

#### SECTION 4 MINIMUM AGE AND SERVICE REQUIREMENTS

**4-1 ELIGIBILITY REQUIREMENTS – MINIMUM AGE AND SERVICE.** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service conditions under this AA §4-1 will be eligible to participate under the Plan as of such Employee's Entry Date (as defined in AA §4-2 below). (See AA §4-3 for the default eligibility rules.)

- (a) **Service Requirement.** An Eligible Employee must complete the following minimum service requirements to participate in the Plan.
  - (1) There is no minimum service requirement for participation in the Plan.
  - (2) One Year of Service (as defined in Section 2.03(a)(1) of the Plan and AA §4-3).
  - (3) The completion of \_\_\_ consecutive full calendar months of employment during which the Employee is credited with at least \_\_\_ Hours of Service or the completion of a Year of Service (as defined in AA §4-3), if earlier. *[Note: If no minimum Hours of Service are required, insert one (1) in the second blank line. Only whole months may be inserted in the first blank. An Employee who completes the required Hours of Service satisfies eligibility at the end of the designated period, regardless as to whether the Employee actually works for the entire period.]*
  - (4) Full-time Employees are eligible to participate immediately. Employees who are "part-time" Employees must complete a Year of Service (as defined in AA §4-3).

For this purpose, a part-time Employee is any Employee whose normal work schedule is less than:

    - (i) \_\_\_ hours per week.
    - (ii) \_\_\_ hours per month.
    - (iii) \_\_\_ hours per year.
  - (5) Two (2) Years of Service.
  - (6) Under the Elapsed Time method. See AA §4-3(c) below.
  - (7) Describe eligibility conditions: \_\_\_\_\_

*[Note: Any eligibility conditions must clearly set forth the Employees eligible to participate under the Plan and must relate to the eligibility service requirements of the Plan.]*
- (b) **Minimum Age Requirement.** An Eligible Employee (as defined in AA §3-1) must have attained the following age to participate under the Plan.
  - (1) There is no minimum age for Plan eligibility.
  - (2) Age 21.
  - (3) Age \_\_\_.

4-2 **ENTRY DATE.** An Eligible Employee (as defined in AA §3-1) who satisfies the minimum age and service requirements in AA §4-1 shall be eligible to participate in the Plan as of such Employee's Entry Date. For this purpose, the Entry Date is the following date. [*Note: If any of subsections (b) – (f) are completed, also complete one of subsections (g) – (j).*]

- (a) **Immediate.** The date the minimum age and service requirements are satisfied (or date of hire, if no minimum age and service requirements apply).
- (b) **Semi-annual.** The first day of the 1st and 7th month of the Plan Year.
- (c) **Quarterly.** The first day of the 1st, 4th, 7th and 10th month of the Plan Year.
- (d) **Monthly.** The first day of each calendar month.
- (e) **The first day of the Plan Year.** [*Note: If this subsection (e) is checked, see Section 2.03(b) of the Plan for special rules that apply.*]
- (f) **Describe Entry Date:** \_\_\_\_\_

An Eligible Employee's Entry Date (as defined above) is determined based on when the Employee satisfies the minimum age and service requirements in AA §4-1. For this purpose, an Employee's Entry Date is the Entry Date:

- (g) **next following** satisfaction of the minimum age and service requirements.
- (h) **coinciding with or next following** satisfaction of the minimum age and service requirements.
- (i) **nearest** the satisfaction of the minimum age and service requirements.
- (j) **preceding** the satisfaction of the minimum age and service requirements.

4-3 **DEFAULT ELIGIBILITY RULES.** In applying the minimum age and service requirements under AA §4-1 above, the following default rules apply:

- **Year of Service.** An Employee earns a Year of Service for eligibility purposes upon completing 1,000 Hours of Service during an Eligibility Computation Period. Hours of Service are calculated based on actual hours worked during the Eligibility Computation Period.
- **Eligibility Computation Period.** If one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Plan Years (see Section 2.03(a)(2)(i) of the Plan). If more than one Year of Service is required for eligibility, the Plan will determine subsequent Eligibility Computation Periods on the basis of Anniversary Years.
- **Break in Service Rules.** The Nonvested Participant Break in Service rule and the One-Year Break in Service rule do NOT apply. [*Note: The Employer may elect to apply these rules under (e) and/or (f) below or to apply other Break in Service rules under AA §4-6.*]

To override the default eligibility rules, complete the applicable sections of this AA §4-3. **If this AA §4-3 is not completed, the default eligibility rules apply.**

- (a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of \_\_\_ Hours of Service during an Eligibility Computation Period.
- (b) **Eligibility Computation Period (ECP).** The Plan will use Anniversary Years, unless more than one Year of Service is required under AA §4-1(a), in which case the Plan will shift to Plan Years.
- (c) **Elapsed Time method.** [*Note: Check this subsection (c) only if AA §4-1(a)(6) above is also checked.*] Eligibility service will be determined under the Elapsed Time method. An Eligible Employee (as defined in AA §3-1) must complete a \_\_\_ month period of service to participate in the Plan. (See Section 2.03(a)(5) of the Plan.)
- (d) **Equivalency Method.** For purposes of determining an Employee's Hours of Service for eligibility, the Plan will use the Equivalency Method (as defined in Section 2.03(a)(4) of the Plan). The Equivalency Method will apply to:
- (1) All Employees.
- (2) Only Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, eligibility will be determined based on actual hours worked.

If this (d) is checked, Hours of Service for eligibility will be determined under the following Equivalency Method.

- (3) **Monthly.** 190 Hours of Service for each month worked.
- (4) **Weekly.** 45 Hours of Service for each week worked.
- (5) **Daily.** 10 Hours of Service for each day worked.
- (6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period worked.
- (e) **Nonvested Participant Break in Service rule applies.** Service earned prior to a Nonvested Participant Break in Service will be disregarded in applying the eligibility rules to Employees who had previously terminated employment with the Employer. (See Section 2.07(b) of the Plan.)
  - The Nonvested Participant Break in Service rule applies to all Employees, including Employees who have not terminated employment.
- (f) **One-Year Break in Service rule applies.** The One-Year Break in Service rule (as defined in Section 2.07(d) of the Plan) applies to temporarily disregard an Employee's service earned prior to a one-year Break in Service.
  - The One-Year Break in Service rule applies to all Employees, including Employees who have not terminated employment.
- (g) **Special eligibility provisions.** The following special eligibility provisions apply: \_\_\_\_\_  
*[Note: Any special eligibility provisions described in this subsection (g) must relate to the eligibility conditions of the Plan and may only describe rules relating minimum age and service, entry dates or crediting of service.]*

4-4 **EFFECTIVE DATE OF MINIMUM AGE AND SERVICE REQUIREMENTS.** The minimum age and/or service requirements under AA §4-1 apply to all Employees under the Plan. An Employee will participate as of such Employee's Entry Date, taking into account all service with the Employer, including service earned prior to the Effective Date.

To allow Employees hired on a specified date to enter the Plan without regard to the minimum age and/or service conditions, complete this AA §4-4.

- (a) **Automatic eligibility.** An Eligible Employee who is employed by the Employer on the following date will become eligible to enter the Plan without regard to the minimum age and/or service requirements, as set forth below.
  - (1) the Effective Date (as designated in subsection (a) or (b) of the Employer Signature Page, as applicable)
  - (2) the date the Plan is executed by the Employer (as indicated on the Employer Signature Page)
  - (3) \_\_\_\_\_ [insert date]

An Eligible Employee who is employed on the designated date will become eligible to participate in the Plan without regard to the minimum age and service requirements under AA §4-1. If both minimum age and service conditions are not waived, select subsection (4) or (5) to designate which condition is waived under this AA §4-4.

- (4) This AA §4-4 only applies to minimum service requirements.
- (5) This AA §4-4 only applies to minimum age requirements.
- (b) **Describe special effective date provisions:** \_\_\_\_\_  
*[Note: An Employee who is employed as of the date described in this AA §4-4 will be eligible to enter the Plan as of such date unless a different Entry Date is designated under this subsection (b). This subsection (b) may only be used to reflect a special effective date for the age and service requirements of the Plan.]*

4-5 **SERVICE WITH PREDECESSOR EMPLOYER.** If the Employer is maintaining the Plan of a Predecessor Employer, service with such Predecessor Employer is automatically counted for eligibility and vesting, unless the Employer otherwise provides in (c) below.

In addition, service with the following employers also will be counted for purposes of determining eligibility, vesting and benefit accruals under this Plan.

- (a) Identify employer(s): \_\_\_\_\_
- (b) Service with the following employer(s) will not apply for the following purposes under the Plan:
  - (1) Service with the employer(s) listed in subsection(s) \_\_\_\_\_ under (a) above will not apply for eligibility.
  - (2) Service with the employer(s) listed in subsection(s) \_\_\_\_\_ under (a) above will not apply for vesting.

- (3) Service with the employer(s) listed in subsection(s) \_\_\_\_\_ under (a) above will not apply for benefit accruals.

[*Note: If this subsection (b) is not checked, service with employers listed in subsection (a) will apply for all purposes under the Plan.*]

- (c) **Describe** any special provisions applicable to Predecessor Employer service: \_\_\_\_\_

4-6 **BREAKS IN SERVICE.** Generally, an Employee will be credited with all service earned with the Employer, including service earned prior to a Break in Service. To disregard service earned prior to a Break in Service for eligibility purposes, complete this AA §4-6.

- (a) If an Employee incurs at least one Break in Service, the Plan will disregard all service earned prior to such Break in Service for purposes of determining eligibility to participate.

- (b) If an Employee incurs at least \_\_\_ Breaks in Service, the Plan will disregard all service earned prior to such Break in Service for purposes of determining eligibility to participate. [*Note: Enter "0" if prior service will be disregarded for all rehired Employees.*]

- (c) Describe any special rules for applying the eligibility Break in Service rules: \_\_\_\_\_

[*Note: Any special rules under this subsection (c) must related to the Break in Service rules under the Plan and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).*]

## SECTION 5 COMPENSATION DEFINITIONS

### 5-1 TOTAL COMPENSATION.

- (a) **Definition of Total Compensation.** Total Compensation is based on the definition set forth under this AA §5-1.

- (1) W-2 Wages

- (2) Code §415 Compensation

- (3) Wages under Code §3401(a)

[*Note: For purposes of determining Total Compensation, each definition includes any amount which is contributed or deferred by the Employer at the election of the Employee and which is not includible in the gross income of the Employee by reason of Code §§125(a), 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k) or 457(b).*]

- (b) **Exclusion of post-severance compensation from Total Compensation.** Total Compensation includes post-severance compensation of the Plan. For this purpose, severance pay is always excluded from the definition of Total Compensation. Other post-severance compensation paid within 2½ months after severance from employment with the Employer or the end of the Limitation Year that includes such date of severance from employment is included in Total Compensation, unless excluded under this subsection (b).

The following amounts paid after a Participant's severance from employment are excluded from Total Compensation for purposes of the Code §415 limitations.

- (1) **Unused leave payments.** Payment for unused accrued bona fide sick, vacation, or other leave, but only if the Employee would have been able to use the leave if employment had continued. The election under this subsection (1) only applies for purposes of the definition of Total Compensation used for determining a Participant's Code §415 limitation and does not apply for the conversion of unused leave payments to be included in Total Compensation for determining a Participant's Accrued Benefit.

- (2) **Deferred compensation.** Payments received by an Employee pursuant to a nonqualified unfunded deferred compensation plan, but only if the payment would have been paid to the Employee at the same time if the Employee had continued in employment and only to the extent that the payment is includible in the Employee's gross income.

[*Note: Plan Compensation includes any post-severance compensation amounts that are includible in Total Compensation. The Employer may elect to exclude all compensation paid after severance of employment from the definition of Plan Compensation under AA §5-2(j) or may elect to exclude specific types of post-severance compensation from Plan Compensation under AA §5-2(l).*]

- (c) **Continuation payments for disabled Participants.** Unless designated otherwise under this subsection (c), Total Compensation does not include continuation payments for disabled Participants.

- Payments to disabled Participants.** Total Compensation shall include post-severance compensation paid to a Participant who is permanently and totally disabled, as provided in Section 1.101(d) of the Plan.

5-2 **PLAN COMPENSATION.** Plan Compensation is **Total Compensation** (as defined in AA §5-1 above) with the following exclusions described below.

- (a) No exclusions.
- (b) Elective Deferrals, pre-tax contributions to a cafeteria plan or a Code §457 plan, and qualified transportation fringes under Code §132(f)(4) are excluded.
- (c) All fringe benefits (cash and noncash), reimbursements or other expense allowances, moving expenses, deferred compensation, and welfare benefits are excluded.
- (d) Compensation above \$\_\_\_\_\_ is excluded.
- (e) Amounts received as a bonus are excluded.
- (f) Amounts received as commissions are excluded.
- (g) Overtime payments are excluded.
- (h) Amounts received for services performed for a non-signatory Related Employer are excluded.
- (i) “Deemed §125 compensation” as defined under Total Compensation.
- (j) Amounts received after termination of employment are excluded.
- (k) Differential Pay (as defined in Section 15.04 of the Plan).
- (l) Describe adjustments to Plan Compensation: \_\_\_\_\_

[**Note:** Any adjustments to Plan Compensation under this subsection (l) must only relate to definition of Plan Compensation and must be written in a manner that is definite and provides a definitely determinable benefit under the Plan as required under Treas. Reg. §1.401-1(b)(1)(i).]

5-3 **DEFINITION OF AVERAGE COMPENSATION.** In applying the benefit formula selected under AA §6 (other than a uniform dollar formula or an Accumulation Plan formula), a Participant's Average Compensation is the average of the Participant's Plan Compensation (as defined in AA §5-2) during the Averaging Period that falls within the Participant's Employment Period, unless modified below:

- The Averaging Period consists of the three consecutive Measuring Periods which produce the highest Average Compensation.
- The Measuring Period is the Plan Year.
- The Employment Period is the Participant's entire period of employment.

(a) **Averaging Period.** Instead of the default definition, the Averaging Period is:

- (1) \_\_\_ consecutive Measuring Periods which produce the highest Average Compensation.
- (2) \_\_\_ Measuring Periods (whether or not consecutive) which produce the highest Average Compensation.
- (3) the final \_\_\_ Measuring Periods included in the Employment Period.
- (4) all Measuring Periods included in the Employment Period.
- (5) Describe: The final 36 Measuring Periods in the Employment Period. If the final 36 months of Employment include Measuring Period(s) during which no compensation is earned, compensation for said Measuring Period(s) shall be deemed equal to the average compensation earned in the 12 immediately prior Measuring Periods during which compensation was earned.

[**Note:** Any provision added under subsection (5) must relate to the Averaging Period for purposes of the definition of Average Compensation and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).]

(b) **Measuring Period.** Instead of the Plan Year, the Measuring Period is:

- (1) the calendar year.
- (2) the 12-month period ending on \_\_\_\_\_.
- (3) a calendar month.

(c) **Employment Period.** Instead of the default definition, a Participant's Employment Period is:

- (1) The period which begins on the date the Participant's participation in the Plan commenced and ends in the current Plan Year.

- (2) The period which begins on the first day of the Plan Year in which the Participant's participation in the Plan commenced and ends in the current Plan Year.
- (3) The \_\_\_ consecutive Measuring Periods ending in the current Plan Year.
- (4) The period measured from \_\_\_\_\_ through the end of the current Plan Year.
- (5) Describe: \_\_\_\_\_  
*[Note: Any provision added under subsection (5) must relate to the Employment Period for purposes of the definition of Average Compensation and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i). A Participant's Employment Period must end in the current Plan Year and may not be shorter than the Averaging Period selected in subsection (a) above (or the Participant's entire period of employment, if shorter).]*
- (d) **Drop-Out Periods.** Compensation History does not include the following periods:
- (1) A Measuring Period in which the Participant terminates employment.
- (2) A Measuring Period in which the Participant does not complete at least \_\_\_ Hours of Service.
- (3) Describe: \_\_\_\_\_  
*[Note: Any provision added under subsection (3) must relate to the Drop-Out Periods for purposes of the definition of Average Compensation and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).]*
- (e) **Participant with Employment Period shorter than the Averaging Period.** If a Participant terminates employment before completing the total months in the Averaging Period designated in subsection (a) above, instead of being based on the Employee's entire period of employment, Average Compensation shall be a monthly average equal to 12 times the Plan Compensation during the Employment Period divided by the number of months the Participant was employed.

**SECTION 6**  
**BENEFIT FORMULAS**

- 6-1 **BENEFIT FORMULA.** A Participant's Accrued Benefit is determined under the following formula. The benefit formula must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).
- (a) **Flat Benefit Formula.** 50% of each Participant's Average Compensation using the Fractional Accrual Method, as defined in Section 3.01(a) of the Plan.
- (1) The benefit is reduced pro rata for each Year of Credited Service less than 25 years.
- (2) The benefit is reduced pro rata for each Year of Credited Service less than \_\_\_ years.
- (b) **Unit Benefit Formula.** In applying a Unit Benefit Formula under this subsection (b), the Unit Accrual Method applies, unless elected otherwise in subsection (d)(4) below. See Section 3.01(b) of the Plan.
- (1) **Uniform formula.** \_\_\_% of Average Compensation multiplied by Years of Credited Service.
- (i) Years of Credited Service above 25 will not be taken into account.
- (ii) Years of Credited Service above \_\_\_ will not be taken into account.
- (2) **Tiered formula.** \_\_\_% of Average Compensation for the first \_\_\_ Years of Credited Service
- (i) plus \_\_\_% of Average Compensation for the next \_\_\_ Years of Credited Service
- (ii) plus \_\_\_% of Average Compensation for all remaining Years of Credited Service.
- Years of Credited Service above \_\_\_ will not be taken into account.
- (3) **Uniform dollar formula.** \$\_\_\_ multiplied by Years of Credited Service.
- (i) Instead of Years of Credited Service, the formula under (3) will be applied based on the following units of service: \_\_\_\_\_
- (ii) Years of Credited Service above 25 will not be taken into account.
- (iii) Years of Credited Service (or other units of service if subsection (i) is selected) above \_\_\_ will not be taken into account.



- (4) **Multiple benefit formulas.** The following formulas will apply separately to the Employee groups designated below:
- (i) **Designated Employee groups.**
- (A) **Group 1:** \_\_\_\_\_
- [Note: Describe the objective criteria for determining the make-up of each Employee group. Criteria may not be subject to Employer discretion, which would cause the plan to fail to have definitely determinable benefits. The Employer may NOT name a specific individual or a finite group (such as Employees hired before a certain date) as to violate the permanency requirement under Treas. Reg. §1.401-1(b)(2).]*
- (ii) **Benefit formulas.**
- (A) **Group 1:** The following amount multiplied by Years of Credited Service:
- (I) \_\_\_\_% of Average Compensation       (II) \$\_\_\_\_
- (a) Years of Credited Service above 25 will not be taken into account.
- (b) Years of Credited Service above \_\_\_\_ will not be taken into account.
- (5) **Accumulation Plan.** The benefit formula selected under subsection (1) – (4) above applies separately for each Plan Year, using Plan Compensation for the Plan Year (instead of Average Compensation).
- [Note: This subsection (5) only applies to the extent the benefit formula selected under this subsection (b) is based on Average Compensation.]*
- If an Employee is a Participant for only a portion of a Plan Year, Plan Compensation includes:
- (i) only amounts earned for the portion of the Plan Year during which the Employee is a Participant.
- (ii) any amounts earned during the Plan Year, including amounts earned while the Employee is not a Participant.
- (c) **Fully-Insured Plan.** If this subsection (c) is checked, the Plan is a Fully-Insured Plan. *[Note: An Employer may not combine a Cash Balance Plan with a Fully-Insured Plan.]*
- Increase in benefits.** If this subsection is checked, the amount of retirement benefit provided by insurance or annuity contracts will not be provided or increased until the Participant's compensation is large enough to provide or increase the retirement benefit by the minimum amount specified below.
- (1) \$\_\_\_\_ per month (not to exceed \$10).
- (2) \$\_\_\_\_ per year (not to exceed \$120).
- (3) The amount necessary to increase the face amount of the pre-retirement death benefit under a contract by \$\_\_\_\_ (not to exceed \$1,000).
- (d) **Operational rules for applying the benefit formula under (a) or (b) above.** Complete this subsection (d) to override the default provisions that apply for purposes of the benefit formulas under subsections (a) and (b) above.
- (1) **Year of Credited Service.** In applying the Accrued Benefit formula under (a) or (b) above, a Participant's Years of Credited Service are the Participant's Total Years of Accrual Service as modified (if applicable) by subsection (2) below. To modify the definition of Years of Credited Service, complete this subsection (1).
- (i) For purposes of determining Years of Credited Service under the Plan, service completed prior to \_\_\_\_ is disregarded.
- (ii) A Participant's Years of Credited Service are modified as follows: Periods of employment during which the Participant is scheduled to work less than 40 hours per week are excluded from Credited Service. If a Participant works less than the minimum hours required to earn Credited Service due to an approved leave of absence, maternity or paternity leave, medical leave or disability, such period of employment, up to a maximum of 12 months, will be included in Credited Service. No service credit will be given for any period during which the Participant elects not to make the required Mandatory Employee Contributions. See Addendum for Credited Service adjustments due to Military Service or when previously distributed Mandatory Employee Contributions have been repaid to the Plan.
- (2) **Year of Accrual Service.** An Employee earns a Year of Accrual Service for each Accrual Computation Period during which the Employee is eligible to participate under the Plan and completes at least 1000 Hours of Service. To modify the definition of a Year of Accrual Service, complete this subsection (2).
- (i) **Hours of service requirement.** Instead of 1,000 Hours of Service, an Employee must complete at least \_\_\_\_ Hours of Service during an Accrual Computation Period.

- (ii) **Partial Year of Accrual Service.** An Employee will receive credit for a partial Year of Accrual Service if the Employee completes at least \_\_\_ Hours of Service.
- (iii) **All Years of Service.** An Employee will be credited with a Year of Accrual Service for all years in which the Employee satisfies the requirements of this subsection (2), including years prior to becoming eligible to participate in the Plan, subject to any limitation under subsection (1)(ii), above.
- (iv) **Elapsed Time method.** A Year of Accrual Service will be determined under the Elapsed Time method.
- (v) **Equivalency Method.** A Year of Accrual Service will be determined under the Equivalency Method based on:
- (A) **Months.** 190 Hours of Service for each month worked.
  - (B) **Days.** 10 Hours of Service for each day worked.
  - (C) **Weeks.** 45 Hours of Service for each week worked.
  - (D) **Semi-monthly periods.** 95 Hours of Service for each semi-monthly period worked.
- (vi) A Participant's Years of Accrual Service are modified as follows: \_\_\_\_\_
- (3) **Accrual Computation Period.** Instead of the Plan Year, the Accrual Computation Period for determining a Year of Accrual Service is based on:
- (i) Anniversary Years.
  - (ii) (Specify) \_\_\_\_\_  
*[Note: Any period described in this subsection (ii) must relate to the Accrual Computation Period for determining a Year of Accrual Service and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).]*
- (4) **Use the Fractional Accrual Method** instead of the Unit Accrual Method for purposes of applying the formula under subsection (b) above.  
*[Note: If this subsection (4) is not selected and the Unit Benefit Formula is selected under subsection (b) above, the Plan will use the Unit Accrual Method.]*
- (5) **Offset by benefits under another plan.**
- (i) **Offset by benefits under a Defined Contribution Plan (Floor-Offset Plan).** A Participant's Accrued Benefit provided under this Plan is reduced by the Actuarial Equivalent of the vested Account Balance attributable to Employer Contributions under the following Defined Contribution Plan maintained by the Employer, as provided in Section 3.03 of the Plan.  
**Name of Defined Contribution Plan:** \_\_\_\_\_
  - (ii) **Offset by benefits under another Defined Benefit Plan.** A Participant's Accrued Benefit provided under this Plan is offset by the Accrued Benefit under the following Defined Benefit Plan maintained by the Employer.  
**Name of Defined Benefit Plan:** \_\_\_\_\_
- (6) **Normal Form of Benefit.** Distributions from the Plan will be determined with reference to the Normal Form of Benefit. Unless elected otherwise under this subsection (6), the Normal Form of Benefit is a Straight Life Annuity payable at the Participant's Normal Retirement Date. (See Section 8.01 of the Plan.)
- Instead of a Straight Life Annuity, the Normal Form of Benefit under the Plan is:
- (i) Single life annuity with a \_\_\_ year term certain
  - (ii) Joint and survivor benefit with 50% survivor benefit
  - (iii) Joint and survivor benefit with 100% survivor benefit
  - (iv) Other: 50% Joint and Survivor Annuity for married Participants and a Life Annuity to any non-married Participants. Death benefit equal to any remaining Mandatory Employee Contributions with interest at date of death.
- [Note: Any normal form of benefit described under this subsection (iv) must not cause the plan to fail the definitely determinable requirement of Treas. Reg. §1.401-1(b)(1)(i). A Normal Form of Benefit other than a Straight Life Annuity could result in a violation of the limitations imposed by Code §415.]*

- (7) **Application of Compensation Limit.** In determining benefit accruals in Plan Years beginning after December 31, 2001, the annual compensation taken into account for determination periods beginning before January 1, 2002, shall be limited to:

(i) \$200,000

(ii) \$150,000 for any determination period beginning in 1996 or earlier; \$160,000 for any determination period beginning in 1997, 1998, or 1999; and \$170,000 for any determination period beginning in 2000 or 2001.

If neither box is checked, the \$200,000 limit shall apply.

- (8) **Other special provisions.** The following special provisions apply for determining a Participant's Accrued Benefit under the Plan: \_\_\_\_\_

*[Note: Any provision described in this subsection (8) must relate to the determination of a Participant's Accrued Benefit under the Plan and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).]*

- (c) **Frozen Plan.** This Plan is a frozen Plan as set forth in AA §2-4.

*[Note: If this subsection (e) is checked, and a benefit formula is selected under this AA §6-1, such formula is frozen as of the date selected in AA §2-4. If this subsection (e) is checked, and no benefit formula is selected under this AA §6-1, the terms of the Plan in existence prior to the freeze date designated under AA §2-4 apply to determine the plan benefits for the period prior to such date. (See Section 3.02 of the Plan.)]*

- 6-2 **EARLY RETIREMENT BENEFIT.** Unless designated otherwise under this AA §6-2, the Plan does not provide for an Early Retirement Benefit. If this AA §6-2 is selected, the Plan provides for an Early Retirement Benefit upon a Participant's attainment of Early Retirement Age (as defined in AA §7-3) equal to:

(a) The Participant's Accrued Benefit, unreduced for early commencement.

(b) The Actuarial Equivalent of the Participant's Accrued Benefit.

(c) The Participant's Accrued Benefit, actuarially reduced for each year (or month) that the commencement of the Early Retirement Benefit precedes the Participant's Normal Retirement Date.

- 6-3 **LATE RETIREMENT BENEFIT.** Unless designated otherwise under subsection (b) below, if payments commence after a Participant's Normal Retirement Date, such benefits will be determined under Section 3.05(a) of the Plan (i.e., the greater of the Participant's Normal Retirement Benefit or Actuarial Equivalent benefit). Alternatively, if permitted under subsection (a) below, a Participant may elect to have the separate account rules apply, as described under Section 3.05(b) of the Plan.

(a) A Participant may elect to have the Actuarial Equivalent of such Participant's Accrued Benefit segregated into a separate account (as described in Section 3.05(b) of the Plan) upon the Participant's reaching Normal Retirement Age while still employed with the Employer.

*[Note: A new plan (as designated on the Employer Signature Page) may not select this subsection (a). Selection of this subsection (a) is also not permitted unless the Plan allowed for separate accounts prior to years beginning on or after the date the Plan is amended and restated for the Pension Protection Act of 2006. With respect to existing separate accounts, no new additions may be made by Participants.]*

(b) The following rules apply with respect to determining a Participant's Accrued Benefit that commences after Normal Retirement Age: A Participant's Late Retirement Benefit is equal to his or her Accrued Benefit at Late Retirement without adjustment.

*[Note: Any provision described in this subsection (b) must satisfy any rules applicable to Accrued Benefits for Governmental Plans.]*

- 6-4 **DISABILITY BENEFIT.** Unless designated otherwise under this AA §6-4, the Plan does not provide for a Disability Benefit.

(a) **Disability benefit.** If this subsection (a) is selected, the Plan provides for a Disability Benefit upon a Participant's becoming Disabled (as defined in subsection (b) below) equal to:

(1) The Participant's Normal Retirement Benefit, without reduction for early commencement.

(2) The Actuarial Equivalent of the Participant's Accrued Benefit, as reduced for early commencement in accordance with Section 3.06 of the Plan.

(3) The Participant's Accrued Benefit, as reduced for early commencement in accordance with the following actuarial principles: If a Participant suffers a Total and Permanent Disability as a result of a permanent injury that occurs while in service as a police officer, that Participant will be entitled to a pension benefit in an amount equal to 50% of his average monthly earnings in effect at the time the disability was incurred. Such disability benefit will be reduced by any payments the Participant is receiving from Social Security for the same injury.

(b) **Definition of Disabled.** To determine whether a Participant is Disabled for purposes of this AA §6-4, the definition of Disabled under Section 1.32 of the Plan applies, unless an alternative definition of Disabled is selected under this subsection (b).

Alternative definition of Disabled: The Board of Supervisors reserves the right to require disabled members to present evidence of total disability and of the continuance of such condition from time to time. Furthermore, the Board reserves the right to require members to submit to medical examinations from time to time by one or more licensed medical practitioners selected by the Board as a pre-condition to the continued payment of benefits.

*[Note: Any alternative definition of Disabled must describe the criteria for determining whether a Participant is Disabled for purposes of the Disability Benefit under the Plan, must apply uniformly to all Participants under the Plan and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).]*

6-5 **PRE-RETIREMENT DEATH BENEFIT.** A Participant who dies prior to such Participant's Annuity Starting Date is entitled to the following death benefit:

(a) No death benefit.

(b) The Present Value of the Participant's vested Accrued Benefit.

(c) The proceeds of any insurance policies purchased on the Participant's life with the total death benefit not in excess of 100 times the Anticipated Monthly Retirement Benefit. The total face amount of the life insurance policies will be \_\_\_ (enter an amount not in excess of 100) times the Participant's Anticipated Monthly Retirement Benefit.

(d) The greater of (b) or (c) above. The total face amount of the life insurance policies will be \_\_\_ (enter an amount not in excess of 100) times the Participant's Anticipated Monthly Retirement Benefit.

(e) The death proceeds under any life insurance contracts purchased on the Participant's life plus the Theoretical ILP Reserve minus the cash value of any life insurance contracts under the Plan. (See Section 3.07(a)(3)(B) of the Plan for the definition of Theoretical ILP Reserve.) The face amount of the life insurance policies will be that purchasable by:

(1) \_\_\_ % (not greater than 66-2/3) for whole (ordinary) life insurance

(2) \_\_\_ % (not greater than 33-1/3) for term and/or universal life insurance

of the Theoretical Contribution (as defined in Section 3.07(a)(3)(B) of the Plan).

(f) Describe: Surviving spouse is entitled to an immediate monthly benefit equal to 50% of the Participant's vested accrued benefit at the time of death. Payments shall terminate upon the death of the surviving spouse. If the Participant is not survived by a spouse, but by minor, dependent child(ren), then such benefit will be paid to such child(ren) in equal shares until they attain the age of 18, or 23 if attending college. Attending college shall mean the eligible child(ren) are registered at an accredited institution of higher learning and are carrying a minimum course load of seven credit hours per semester. See Addendum for benefits to non-vested Participants.

6-6 **EMPLOYEE CONTRIBUTIONS.**

(a) **Mandatory After-Tax Employee Contributions.** In order to participate in the Plan, an Employee must make the following Mandatory After-Tax Employee Contributions each year as provided under Section 3.09(b) of the Plan.

(1) \_\_\_ % of Plan Compensation

(2) \$\_\_\_

(3) Describe: 5% of Plan Compensation, unless such Mandatory Employee Contributions are waived for the Plan Year. Mandatory Employee Contributions will be credited with interest at the rate of 5% per annum. In the event a Participant terminates employment with the Employer prior to becoming vested, he or his beneficiaries shall be entitled to a refund of his contributions and all accrued interest.

*[Note: Any provision described in this subsection (3) must satisfy any rules applicable to Mandatory After-Tax Employee Contributions for Governmental Plans and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).]*

- (b) **Voluntary Employee Contributions.** If this subsection (b) is checked, an Employee may make voluntary Employee Contributions under the Plan. Any Employee Contributions will be held in a separate account as provided in Section 3.09(a).

For this purpose, an Employee may not make Voluntary Employee Contributions in excess of the following amounts for any Plan Year:

(1) \_\_\_\_\_% of Plan Compensation

(2) \$\_\_\_\_\_

(3) Describe: \_\_\_\_\_

*[Note: Any provision described in this subsection (3) must satisfy any rules applicable to voluntary Employee contributions for Governmental Plans and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).]*

- (c) **Employer Pick-Up Contributions.** Each Participant will be required to make a Pick-up Contribution to the Plan equal to the amount specified under this subsection (c). Any amounts contributed pursuant to this subsection (c) will be picked up by the Employer pursuant to Code §414(h) and will be treated as Employer Contributions under the Plan. Such contributions and earnings thereon will be 100% vested at all times. (See Section 3.08 of the Plan.)

(1) The following amounts will be contributed to the Plan as an Employer Pick-Up Contribution:

(i) \_\_\_\_\_% of Plan Compensation.

(ii) \$\_\_\_\_\_ per pay period.

(2) Special rules applicable to Employer Pick-Up Contributions: \_\_\_\_\_

*[Note: Any Employer Pick-Up Contributions made under this subsection (c) must satisfy the requirements of Section 3.08 of the Plan and must provide for a definitely determinable benefit. The Employer Pick-Up Contribution formula may not be created from scratch and may not name a specific individual or finite group (such as Employees hired before a certain date). In addition, the formula may not be designed to be or include a Code §414(k) account, a "Drop" or similar provision, or, if a Cash Balance Plan, as a Fully-Insured Plan.]*

#### 6-7 PERMISSIVE SERVICE CREDITS.

- Participants may purchase permissive service credits.** If this AA §6-7 is selected, Participants may purchase permissive service credits, as described below within the rules and conditions of Section 4.03 of the Plan.

Describe: \_\_\_\_\_

*[Note: As provided under Code §415(n)(3)(A) and Section 4.03 of the Plan, permissive service credits must satisfy two conditions: (1) such Participant has not received credit for such service under the Plan (except as provided under this provision), and (2) the Participant may receive the service credit only by making a voluntary additional contribution, in an amount determined under the Plan, which does not exceed the amount necessary to fund the benefit attributable to such service credit.*

*Service credits may pertain to benefits calculated with respect to Years of Service already credited under the Plan, only if the permissive service credit includes: (1) periods for which there is no performance of service, and (2) service credited for the purpose of increasing benefits on for service already credited under the Plan. The Plan must limit nonqualified service credit as set forth under Section 4.03(b) of the Plan.]*

### SECTION 7 RETIREMENT AGES AND DATES

7-1 **NORMAL RETIREMENT AGE.** The Normal Retirement Age under the Plan is:

(a) Age \_\_\_\_ (not less than 55 or greater than 65).

(b) The later of age \_\_\_\_ (not less than 55, nor in excess of 65) or the \_\_\_\_ (not to exceed 5<sup>th</sup>) anniversary of:

(1) the first day of the Plan Year in which the Employee commenced participation in the Plan.

(2) the Employee's participation commencement date.

- (c) Describe age: Attainment of Age 55 and the completion of 25 Years of Service

[*Note: The Normal Retirement Age selected in this AA §7-1 must be reasonably representative of the typical retirement age for the industry in which the Plan Participants work. A Normal Retirement Age of at least age 62 is deemed to be reasonable while a Normal Retirement Age under age 55 is presumed not to satisfy this requirement unless facts and circumstances show otherwise. Whether a Normal Retirement Age between 55 and 62 satisfies this requirement depends on the facts and circumstances. The Employer may use AA §7-1(c) to apply the proposed regulations under Treas. Reg. §1.401(a)-1(b)(v) in determining Normal Retirement Age for Governmental Plans. (See Section 1.69 of the Plan.)*]

- (d) **Special provisions.** The following special rules apply with respect to the amendment of the Normal Retirement Age: \_\_\_\_\_

[*Note: Any special provision may not violate the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).*]

**7-2 NORMAL RETIREMENT DATE.**

- (a) The date the Participant attains Normal Retirement Age.  
 (b) The first day of the month coinciding with or next following the date the Participant attains Normal Retirement Age.  
 (c) The first day of the Plan Year coinciding with or next following the date the Participant attains Normal Retirement Age.  
 (d) The first day of the Plan Year nearest to the date the Participant attains Normal Retirement Age.  
 (e) Describe: \_\_\_\_\_

[*Note: Any provision described in this subsection (e) must satisfy any rules applicable to Normal Retirement Date for Governmental Plans.*]

**7-3 EARLY RETIREMENT AGE.**

- (a) There is no Early Retirement Age under the Plan.  
 (b) A Participant reaches Early Retirement Age if such Participant is still employed after attainment of each of the following:  
 (1) Attainment of age \_\_\_\_  
 (2) The completion of \_\_\_\_ Years of Credited Service (as defined in AA §6-1(d)(1))

**7-4 EARLY RETIREMENT DATE.**

- (a) The Plan does not provide for an Early Retirement Date.  
 (b) The date the Participant attains Early Retirement Age.  
 (c) The first day of the month coinciding with or first following the date the Participant attains Early Retirement Age.  
 (d) The first day of the Plan Year coinciding with or next following the date the Participant attains Early Retirement Age.

**SECTION 8  
VESTING**

**8-1 VESTING OF EMPLOYER CONTRIBUTIONS.** The Accrued Benefits authorized under AA §6 will vest in accordance with the vesting schedule designated under AA §8-2 and AA §8-3, as applicable.

**8-2 VESTING SCHEDULE.** The normal vesting schedule under the Plan is as follows. See Section 7.02(a) of the Plan for a description of the various vesting schedules under this AA §8-2.

- (a) **Vesting schedule:**
- (1) Full and immediate vesting.
  - (2) Three-year cliff vesting schedule
  - (3) Five-year cliff vesting schedule
  - (4) Six-year graded vesting schedule
  - (5) Seven-year graded vesting
  - (6) Modified vesting schedule  
Twelve Year cliff vesting schedule

(b) **Special provisions applicable to vesting schedule:** \_\_\_\_\_

[*Note: As a Governmental Plan, the Plan is not subject to the requirements of Code §411 and may modify the vesting schedule, provided the Plan satisfies the requirements of Code §§401(a)(4) and (7) as in effect before the enactment of ERISA. For this purpose, the modified vesting schedule must be at least as favorable as one of the following safe harbor vesting schedules:*

- (i) *15-year cliff vesting schedule. The Participant is fully vested after 15 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service.*
- (ii) *20-year graded vesting schedule. The Participant is fully vested based on a graded vesting schedule of 5 to 20 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service.*
- (iii) *20-year cliff vesting for qualified public safety employees. Participant is fully vested after 20 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service. The safe harbor schedule is available only with respect to the vesting schedule applicable to a group in which substantially all of the participants are qualified public safety employees (within the meaning of Code §72(t)(10)(B).]*

8-3 **VESTING SERVICE.** In applying the vesting schedules under this AA §8, the following service with the Employer is excluded.

- (a) None, all service with the Employer counts for vesting purposes.
- (b) Service before the original Effective Date of this Plan is excluded.
- (c) Service completed before the Employee's \_\_\_\_ birthday is excluded.

8-4 **VESTING UPON DEATH, DISABILITY OR EARLY RETIREMENT AGE.** An Employee's vesting percentage increases to 100% if, while employed with the Employer, the Employee

- (a) dies
- (b) terminates employment due to becoming Disabled
- (c) reaches Early Retirement Age

8-5 **MODIFICATION OF DEFAULT VESTING RULES.** In applying the vesting requirements under this AA §8, the following default rules apply. [*Note: As a Governmental Plan, the Plan is not subject to the requirements of Code §411 and may modify the vesting schedule, provided the Plan satisfies the requirements of Code §§401(a)(4) and (7) as in effect before the enactment of ERISA. For this purpose, the modified vesting schedule must be at least as favorable as one of the following safe harbor vesting schedules:*

- (i) *15-year cliff vesting schedule. The Participant is fully vested after 15 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service.*
- (ii) *20-year graded vesting schedule. The Participant is fully vested based on a graded vesting schedule of 5 to 20 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service.*
- (iii) *20-year cliff vesting for qualified public safety employees. Participant is fully vested after 20 years of creditable service. Service can be based on years of employment, years of participation or other creditable years of service. The safe harbor schedule is available only with respect to the vesting schedule applicable to a group in which substantially all of the participants are qualified public safety employees (within the meaning of Code §72(t)(10)(B)).]*
- **Year of Service.** An Employee earns a Year of Service for vesting purposes upon completing 1,000 Hours of Service during a Vesting Computation Period. Hours of Service are calculated based on actual hours worked during the Vesting Computation Period.
- **Vesting Computation Period.** The Vesting Computation Period is the Plan Year.

To override the default vesting rules, complete the applicable sections of this AA §8-5. If this AA §8-5 is not completed, the default vesting rules apply.

- (a) **Year of Service.** Instead of 1,000 Hours of Service, an Employee earns a Year of Service upon the completion of \_\_\_\_ Hours of Service during a Vesting Computation Period.
- (b) **Vesting Computation Period (VCP).** Instead of the Plan Year, the Vesting Computation Period is:

(1) The 12-month period beginning with the anniversary of the Employee's date of hire.

(2) Describe: \_\_\_\_\_

[*Note: Any Vesting Computation Period described in this subsection (2) must be a 12-consecutive month period and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).*]

(c) **Elapsed Time method.** Vesting service will be determined under the Elapsed Time method. (See Section 7.03(b) of the Plan.)

(d) **Equivalency Method.** For purposes of determining an Employee's Hours of Service for vesting, the Plan will use the Equivalency Method (as defined in Section 7.03(a)(2) of the Plan). The Equivalency Method will apply to:

(1) All Employees.

(2) Only to Employees for whom the Employer does not maintain hourly records. For Employees for whom the Employer maintains hourly records, vesting will be determined based on actual hours worked.

If this subsection (d) is checked, Hours of Service for vesting will be determined under the following Equivalency Method.

(3) **Monthly.** 190 Hours of Service for each month worked.

(4) **Daily.** 10 Hours of Service for each day worked.

(5) **Weekly.** 45 Hours of Service for each week worked.

(6) **Semi-monthly.** 95 Hours of Service for each semi-monthly period.

(e) **Special vesting provisions.** No special vesting provisions apply unless designated under this subsection (f): \_\_\_\_\_

[*Note: As a Governmental Plan, the Plan is not subject to the requirements of Code §411 and may modify the vesting schedule, provided the Plan satisfies the requirements of Code §§401(a)(4) and (7) as in effect before the enactment of ERISA.*]

8-6 **BREAKS IN SERVICE.** Generally, an Employee will be credited with all service earned with the Employer, including service earned prior to a Break in Service. To disregard service earned prior to a Break in Service for vesting purposes, complete this AA §8-6.

(a) If an Employee incurs at least one Break in Service, the Plan will disregard all service earned prior to such Break in Service for purposes of determining vesting under the Plan.

(b) If an Employee incurs at least \_\_\_ consecutive Breaks in Service, the Plan will disregard all service earned prior to such consecutive Breaks in Service for purposes of determining vesting under the Plan.

(c) Describe any special rules for applying the vesting Break in Service rules: \_\_\_\_\_

[*Note: Any special rules under this subsection (c) must relate to the Break in Service rules under the Plan and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).*]

## SECTION 9

### DISTRIBUTION PROVISIONS – TERMINATION OF EMPLOYMENT

9-1 **AVAILABLE FORMS OF DISTRIBUTION.** Upon termination of employment, a Participant may elect to receive a distribution of such Participant's vested Accrued Benefit in the following alternative forms. Any alternative forms of distribution selected under this AA §9-1 will be in addition to the Qualified Joint and Survivor Annuity.

(a) Straight Life Annuity.

(b) Life annuity with a term certain feature.

(1) 5-year

(2) 10-year

(3) Other term \_\_\_\_\_

(c) Lump sum distribution of entire vested Accrued Benefit.

(d) Single sum distribution of a portion of vested Accrued Benefit.

(e) Installments for a specified term.

(1) 5-year

(2) 10-year

(3) Other term \_\_\_\_\_



- (f) Describe: 50% Joint and Survivor Annuity

*[Note: Any distribution option described in this subsection (f) must relate to the available forms of distribution under the Plan and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).]*

## 9-2 PARTICIPANT AND SPOUSAL CONSENT.

- (a) **Involuntary Cash-Out Distribution.** A Participant who terminates employment with a vested Accrued Benefit of \$5,000 or less will receive an Involuntary Cash-Out Distribution, unless elected otherwise under this AA §9-2. If a Participant's vested Accrued Benefit exceeds \$5,000, the Participant generally must consent to a distribution from the Plan, except to the extent provided otherwise under this AA §9-2. See Sections 8.05 of the Plan for additional rules regarding the Participant consent requirements under the Plan.

(1) **No Involuntary Cash-Out Distributions.** The Plan does not provide for Involuntary Cash-Out Distributions. A terminated Participant must consent to any distribution from the Plan. (See Section 14.02(b) of the Plan for special rules upon Plan termination.)

(2) **Involuntary Cash-Out Distribution threshold.** A terminated Participant will receive an Involuntary Cash-Out Distribution only if the Participant's vested Accrued Benefit is less than or equal to \$\_\_\_\_.

- (b) **Spousal consent.** Spousal consent is not required for a Participant to receive a distribution or name an alternate beneficiary, unless designated otherwise under this subsection (b).

(1) **Distribution consent.** A Participant's Spouse must consent to any distribution or loan, provided the Participant's vested Account Balance exceeds \$\_\_\_\_.

(2) **Beneficiary consent.** A Participant's Spouse must consent to naming someone other than the Spouse as beneficiary under the Plan.

- (c) **Describe** any special rules affecting Participant or Spousal consent: \_\_\_\_\_

*[Note: Any distribution option described in this subsection (c) must relate to Participant and/or Spousal consent and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).]*

## 9-3 TIMING OF DISTRIBUTIONS UPON TERMINATION OF EMPLOYMENT.

- (a) **Distribution of present value of vested Accrued Benefit exceeding \$5,000.** A Participant who terminates employment with a present value of vested Accrued Benefit exceeding \$5,000 may receive a distribution of such Participant's vested Accrued Benefit in any form permitted under AA §9-1 within a reasonable period following:

(1) the date the Participant terminates employment.

(2) the last day of the Plan Year during which the Participant terminates employment.

(3) the first Valuation Date following the Participant's termination of employment.

(4) attainment of Normal Retirement Age, death or becoming Disabled.

(5) Describe: \_\_\_\_\_

*[Note: Any distribution event described in this subsection (5) must relate to determining a reasonable period for the distribution of the present value of the vested Accrued Benefit exceeding \$5,000 and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).]*

- (b) **Distribution of present value of vested Accrued Benefit not exceeding \$5,000.** A Participant who terminates employment with a present value of vested Accrued Benefit that does not exceed \$5,000 shall receive a **lump sum** distribution of such Participant's vested Accrued Benefit within a reasonable period following:

(1) the date the Participant terminates employment.

(2) the last day of the Plan Year during which the Participant terminates employment.

(3) the first Valuation Date following the Participant's termination of employment.

(4) attainment of Normal Retirement Age, death or becoming Disabled.

(5) Describe: Not Applicable

*[Note: Any distribution event described in this subsection (5) must relate to determining a reasonable period for the distribution of the present value of the vested Accrued Benefit not exceeding \$5,000 and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).]*

9-4 DISTRIBUTION UPON DISABILITY.

- (a) **Termination of Disabled Employee.** A Participant who terminates employment on account of becoming Disabled may receive a distribution of such Participant's vested Accrued Benefit in the same manner as a regular distribution upon termination, unless provided otherwise under this AA §9-4(a).
- (1) Distribution will be made as soon as reasonable following the date the Participant terminates on account of becoming Disabled.
- (2) Distribution will be made as soon as reasonable following the last day of the Plan Year during which the Participant terminates on account of becoming Disabled.
- (3) Describe: \_\_\_\_\_
- [Note: Any distribution event described in this subsection (3) must relate to the distribution of a Participant's vested Accrued Benefit in the event a Participant becomes Disabled and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).]*
- (b) **Definition of Disabled.** For purposes of this AA §9-4 and vesting purposes, if applicable, a Participant is treated as Disabled if such Participant satisfies the conditions in Section 1.32 of the Plan. (See AA §6-4(b) for the definition of Disabled used for Disability Benefit purposes.) To override this default definition, check below and insert the definition of Disabled to be used under the Plan.
- Alternative definition of Disabled: The Board of Supervisors reserves the right to require disabled members to present evidence of total disability and of the continuance of such condition from time to time and further reserves the right to require members to submit to medical examinations from time to time by one or more licensed medical practitioners selected by the Board as a pre-condition to the continued payment of benefits
- [Note: Any alternative definition of Disabled must relate to the definition of Disabled for purposes of distributions upon disability and must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).]*

9-5 SPECIAL RULES.

- (a) **Availability of Involuntary Cash-Out Distributions.** (See AA §9-2 for elections for Involuntary Cash-Out Distributions.)
- (b) **Application of Automatic Rollover rules.** The Automatic Rollover rules described in Section 8.07 of the Plan do not apply to any Involuntary Cash-Out Distribution below \$1,000 (to the extent available under the Plan).  
To override this default provision, check below.
- (1) The Automatic Rollover provisions under Section 8.07 of the Plan apply to all Involuntary Cash-Out Distributions (including those below \$1,000).
- (2) The Automatic Rollover provisions under Section 8.07 of the Plan do not apply to Involuntary Cash-Out Distributions below \$\_\_\_\_\_ (must be between \$0 and \$1,000).
- (c) **Treatment of Rollover Contributions.** Unless elected otherwise under this (c), Rollover Contributions will be excluded in determining whether a Participant's vested Accrued Benefit exceeds the Involuntary Cash-Out threshold for purposes of applying the distribution rules under this AA §9 and Section 8.07(a) of the Plan. To include Rollover Contributions for purposes of applying the Plan's distribution rules, check below.
- In determining whether a Participant's vested Accrued Benefit exceeds the Involuntary Cash-Out threshold, Rollover Contributions will be included.
- [Note: This subsection (c) should be checked if a lower Involuntary Cash-Out Distribution is selected in subsection (b)(2) above in order to avoid the Automatic Rollover provisions described in Section 8.07 of the Plan. Failure to check this subsection (c) could cause the Plan to be subject to the Automatic Rollover provisions if a Participant receives a distribution attributable to Rollover Contributions that exceeds \$1,000.]*
- (d) **Distribution upon attainment of stated age.** A Participant must consent to a distribution from the Plan at any time prior to attainment of the Participant's Required Beginning Date.  
To allow for involuntary distribution upon attainment of Normal Retirement Age (or age 62, if later), check below.
- A distribution from the Plan will be made to a terminated Participant without the Participant's consent, regardless of the present value of such Participant's vested Accrued Benefit, upon attainment of Normal Retirement Age (or age 62, if later).

(e) **Default beneficiaries.** Under Section 8.03(c) of the Plan, to the extent a non-QPSA death benefit is payable under the Plan and a Beneficiary has not been named by the Participant on the appropriate Beneficiary Designation forms (subject to the spousal consent rules discussed in subsection (2)) and a Beneficiary is not designated under the terms of this Plan to receive all or any portion of the deceased Participant's death benefit, such amount shall be distributed to the Participant's surviving spouse (if the Participant was married at the time of death). If the Participant does not have a surviving spouse at the time of death, distribution will be made to the Participant's surviving children (including legally adopted children, but not including step-children), in equal shares. If the Participant has no surviving children, distribution will be made to the Participant's estate. The Employer may modify the default beneficiary rules below or by attaching appropriate language as an addendum to the Adoption Agreement.

If this box is checked, the default beneficiaries under Section 8.03(c) of the Plan are modified as follows:

(1) The Plan adopts the default beneficiary rules under Section 8.03(c) of the Plan, except, if the Participant does not have a surviving Spouse at the time of death, distribution will be made to the Participant's children (including legally adopted children, but not including step-children), as designated Beneficiaries, **per stirpes**.

(2) Describe other modifications to the default beneficiaries under Section 8.03(c) of the Plan: \_\_\_\_\_

*[Note: The description of the modifications to the default beneficiaries must be sufficiently clear for the Plan Administrator to determine the beneficiaries and the method of distribution of the Participant's death benefit.]*

## SECTION 10

### IN-SERVICE DISTRIBUTIONS AND REQUIRED MINIMUM DISTRIBUTIONS

10-1 **AVAILABILITY OF IN-SERVICE DISTRIBUTIONS.** A Participant may withdraw all or any portion of such Participant's vested Accrued Benefit, to the extent designated under this AA §10-1.

- (a) No in-service distributions are permitted.
- (b) Attainment of Normal Retirement Age.
- (c) Attainment of age \_\_\_\_ [*may not be less than age 62*].

*[Note: This subsection (c) is not effective for any Plan Year beginning before January 1, 2007.]*

(d) Installments for in-service required minimum distributions only.

10-2 **SPECIAL DISTRIBUTION RULES.** No special distribution rules apply, unless specifically provided under this AA §10-2.

- (a) A Participant may take no more than \_\_\_\_ (must be less than 10) in-service distribution(s) in a Plan Year.
- (b) A Participant may not take an in-service distribution of less than \$ \_\_\_\_.

10-3 **REQUIRED DISTRIBUTIONS AFTER DEATH.** If a Participant dies before distributions begin and there is a Designated Beneficiary, the Participant or Beneficiary may elect on an individual basis whether the 5-year rule or the life expectancy method described under Sections 10.04(b) of the Plan apply. (See Section 10.04(b)(2) of the Plan for rules regarding the timing of an election authorized under this AA §10-3.)

Alternatively, if selected below, any death distributions to a Designated Beneficiary will be made under the 5-year rule (as described in Section 10.04(b)(1)(ii) of the Plan).

The five-year rule applies (instead of the life expectancy method) to all distributions.

## SECTION 11

### MISCELLANEOUS PROVISIONS

11-1 **ACTUARIAL EQUIVALENT.** In determining the equivalent value of different optional forms of distribution, the Plan will use the following actuarial equivalence conditions.

(a) **Determining actuarial equivalence.** When determining the actuarial equivalence of alternative forms of distribution, the Plan will use the following actuarial assumptions:

(1) **Pre- benefit commencement interest rate:** 6.00%

(2) **Post- benefit commencement interest rate:** 6.00%

- (3) **Pre- benefit commencement mortality:** IRS 2011 Applicable Mortality Table
- (4) **Post- benefit commencement mortality:** IRS 2011 Applicable Mortality Table
- (5) **Insurance or annuity contract.** Actuarial equivalence will be determined using the interest and mortality assumptions under the following insurance or annuity contract:
- (i) Contract name/number: \_\_\_\_\_
- (ii) Company that issued the contract: \_\_\_\_\_
- (iii) Date of issuance: \_\_\_\_\_
- (iv) Special provisions: \_\_\_\_\_
- (6) **[Cash Balance Plans only]** Actuarial equivalence will be applied to:
- (i) The Participant's Cash Balance Account
- (ii) The Participant's Accrued Benefit in the Normal Form of Benefit commencing at Normal Retirement Age
- (b) **Describe special rules for determining actuarial equivalence:** \_\_\_\_\_
- [Note: Any special rule for determining actuarial equivalence must satisfy the definitely determinable benefit requirements under Treas. Reg. §1.401-1(b)(1)(i).]*

11-2 **SPECIAL RULES FOR APPLYING THE CODE §415 BENEFIT LIMITATION.** The provisions under Section 5 of the Plan apply for purposes of applying the Code §415 limit on benefits under the Plan.

Complete this AA §11-2 to override the default provisions that apply in determining the Code §415 benefit limitation under Section 5 of the Plan.

- (a) **Limitation Year.** Instead of the Plan Year, the Limitation Year is the 12-month period ending \_\_\_\_.
- [Note: If the Plan has a short Plan Year for the first year of establishment, the Limitation Year is deemed to be the 12-month period ending on the last day of the short Plan Year, unless provided otherwise in subsection (d).]*
- (b) **Year of service for determining Highest Average Compensation.** In determining a Participant's Highest Average Compensation (as defined in Section 5.06(g) of the Plan) for purposes of applying the Code §415 benefit limitation under Section 5 of the Plan, years of service are determined based on the Plan Year.
- To designate a different period for determining years of service for this purpose, complete this subsection (b).
- Instead of the Plan Year, a year of service for purposes of determining a Participant's Highest Average Compensation under Section 5.06(g) of the Plan is:
- (1) the calendar year.
- (2) the 12-month period ending on \_\_\_\_\_.
- (c) **Automatic increase of Maximum Permissible Benefit.** In determining the Maximum Permissible Benefit under Section 5 of the Plan, the Defined Benefit Compensation Limitation (as defined in Section 5.06(c) of the Plan) and the Defined Benefit Dollar Limitation (as defined in Section 5.06(d) of the Plan) are automatically adjusted beginning with the first Limitation Year following a Participant's severance of employment, in accordance with Code §415(d).
- To override this default provision so that no automatic adjustment applies with respect to the Defined Benefit Compensation Limitation and/or the Defined Benefit Dollar Limitation, complete subsections (1) and/or (2) below.
- (1) The Defined Benefit Compensation Limitation and/or
- (2) The Defined Benefit Dollar Limitation
- will not be automatically adjusted under Code §415(d) following a Participant's severance of employment. (See Sections 5.06(c) and (d) of the Plan.)
- (d) **Code §415 benefit limitation.** If the Employer maintains another plan in which any Participant is a participant, the rules set forth under Section 5.03 of the Plan apply.
- To modify the default provisions under Section 5.03 of the Plan, designate how such rules will apply.
- Instead of applying the default rules under Section 5.03 of the Plan, the Employer will determine the Code §415 benefit limitation in the following manner: \_\_\_\_\_
- [Note: Any method designated above must provide for the proper reduction of any Excess Amounts and must preclude Employer discretion.]*

- (e) **Special rules.** Instead of the default provisions under Section 5 of the Plan, the following rules apply: \_\_\_\_\_  
[Note: Any provision under this subsection (e) must relate to the application of Code §415 benefit limitations.]

11-3 **ELECTION NOT TO PARTICIPATE.** (See Section 2.08 of the Plan.) All Participants who satisfy the accrual requirements will receive an accrual under this Plan and no Employee may waive out of Plan participation.

To allow Employees to make a waiver, check below.

- An Employee may make an election not to participate under the Plan at any time prior to the time the Employee first becomes eligible to participate under the Plan.

11-4 **MILITARY SERVICE PROVISIONS – BENEFIT ACCRUALS.** The benefit accrual provisions under Section 15.04(a) of the Plan do not apply. To apply the benefit accrual provisions under Section 15.04(a) of the Plan, check the box below.

- (a) **Eligibility for Plan benefits.** Check this box if the Plan will provide the benefits described in Section 15.04(a) of the Plan. If this box is checked, an individual who dies or becomes disabled in qualified military service will be treated as reemployed for purposes of determining entitlement to benefits under the Plan.

- (b) **Describe special rules that apply for military service:** \_\_\_\_\_  
[Note: The special rules must comply with the requirements of Code §414(u).]

11-5 **SPECIAL RULES FOR MULTIPLE EMPLOYER PLANS.** If the Plan is a Multiple Employer Plan (as designated under AA §2-6), the rules applicable to Multiple Employer Plans under Section 16.06 of the Plan apply.

- The following special rules apply with respect to Multiple Employer Plans: \_\_\_\_\_  
[Note: Any special rules under this §AA 11-5 must satisfy the rules applicable to Multiple Employer Plans under Code §413(c) as applicable to Governmental Plans.]

**APPENDIX A**  
**SPECIAL EFFECTIVE DATES**

*[Note: This Appendix A may be used to memorialize prior Plan provisions.]*

- A-1 **Eligible Employees.** The definition of Eligible Employee under AA §3 is effective as follows:  
\_\_\_\_\_
- A-2 **Minimum age and service conditions.** The minimum age and service conditions and Entry Date provisions specified in AA §4 are effective as follows:  
\_\_\_\_\_
- A-3 **Compensation definitions.** The compensation definitions under AA §5 are effective as follows:  
\_\_\_\_\_
- A-4 **Accrued Benefits.** The Accrued Benefits provisions under AA §6 are effective as follows:  
\_\_\_\_\_
- A-5 **Retirement ages.** The retirement age provisions under AA §7 are effective as follows:  
\_\_\_\_\_
- A-6 **Vesting and forfeiture rules.** The rules regarding vesting and forfeitures under AA §8 are effective as follows:  
\_\_\_\_\_
- A-7 **Distribution provisions.** The distribution provisions under AA §9 are effective as follows:  
\_\_\_\_\_
- A-8 **In-service distributions and Required Minimum Distributions.** The provisions regarding in-service distribution and Required Minimum Distributions under AA §10 are effective as follows:  
\_\_\_\_\_
- A-9 **Miscellaneous provisions.** The provisions under AA §11 are effective as follows:  
\_\_\_\_\_
- A-10 **Special effective date provisions for merged plans.** If any qualified retirement plans have been merged into this Plan, the provisions of Section 14.04 of the Plan apply, except as follows:  
\_\_\_\_\_
- A-11 **Other special effective dates:**  
\_\_\_\_\_
- A-12 **Special Effective Dates for Restated PPA Plans.** The IRS allows the use of a separate effective dates to memorialize plan operational changes that have occurred after the general effective date of the plan and the actual plan restatement adoption date. Adopting Employers may use the above Special Effective Date options (A-1 through A-11) to memorialize these changes or they may use this A-12. If the adopting Employer uses this A-12, the changes will be part of the Plan, but will not be reflected in the SPD or plan summary:  
\_\_\_\_\_

*[Note: Any prior Plan provisions included in this Appendix A must have been subject to a prior Determination, Opinion or Advisory Letter and may not address an issue which is not permitted to be approved in a Pre-Approved Plan.]*

**APPENDIX B  
LOAN POLICY**

Use this Appendix B to make elections relating to Participant loans. In B-1, the Employer must elect whether Participant loans are permitted under the Plan. This election is considered a Plan provision and the Employer must execute an amendment or restatement to change this election. The administrative elections under B-2 through B-15 may be changed without amending this Adoption Agreement by substituting an updated Appendix B with new elections. Any modifications to Appendix B-2 through B-15 or any modifications to a separate loan policy describing the loan provisions selected under the Plan will not affect an Employer's reliance on the IRS Favorable Letter.

B-1 Are **PARTICIPANT LOANS** permitted? (See Section 13 of the Plan.)

- (a) Yes  
 (b) No

B-2 **LOAN PROCEDURES.**

- (a) Loans will be provided under the default loan procedures set forth in Section 13 of the Plan, unless modified under this Appendix B.  
 (b) Loans will be provided under a separate written loan policy. [If this subsection (b) is checked, do not complete the rest of this Appendix B.]

B-3 **LOAN LIMITS.** The default loan policy under Section 13.03 of the Plan allows Participants to take a loan provided all outstanding loans do not exceed the lesser of \$50,000 (or such lower amount elected in B-5) or 50% of the present value of a Participant's vested Accrued Benefit (or such lower amount elected in B-5). To override the default loan policy and allow loans on the present value of a Participant's total vested Accrued Benefit up to \$10,000, even if greater than 50% of the present value of a Participant's vested Accrued Benefit, check this AA §B-3.

- A Participant may take a loan on the present value of the Participant's total vested Accrued Benefit up to \$10,000, even if greater than 50% of the present value of the Participant's total vested Accrued Benefit.

[Note: If this AA §B-3 is checked, the Participant may be required to provide adequate security as required under Section 13.06 of the Plan.]

B-4 **NUMBER OF LOANS.** The default loan policy under Section 13.04 of the Plan restricts Participants to one loan outstanding at any time. To override the default loan policy and permit Participants to have more than one loan outstanding at any time, complete (a) or (b) below.

- (a) A Participant may have \_\_\_ loans outstanding at any time.  
 (b) There are no restrictions on the number of loans a Participant may have outstanding at any time.

B-5 **LOAN AMOUNT.** Subject to any internal administrative limitations, the default loan policy under Sections 13.03 and 13.04 of the Plan provides that a Participant's maximum loan amount may not exceed the lesser of \$50,000 or 50% of the present value of a Participant's vested Accrued Benefit and a Participant may not receive a loan of less than \$1,000. To modify the minimum and/or maximum loan amounts, complete this AA §B-5.

- (a) There is no minimum loan amount.  
 (b) The minimum loan amount is \$ \_\_\_\_\_.  
 (c) The maximum loan amount is \$ \_\_\_\_\_ (no greater than \$50,000).  
 (d) The maximum loan amount is \_\_\_\_\_% (no greater than 50%) of the present value of the Participant's vested Accrued Benefit.

B-6 **INTEREST RATE.** The default loan policy under Section 13.05 of the Plan provides for an interest rate commensurate with the interest rates charged by local commercial banks for similar loans. To override the default loan policy and provide a specific interest rate to be charged on Participant loans, complete this AA §B-6.

- (a) The prime interest rate plus \_\_\_ percentage point(s).  
 (b) The interest rate is determined in accordance with the terms of the Investment Arrangement, service provider procedures, or other loan policy document adopted by the Plan Administrator.

(c) Describe: \_\_\_\_\_

[*Note: Any interest rate described in this AA §B-6 must be reasonable and must apply uniformly to all Participants.*]

B-7 **PURPOSE OF LOAN.** The default loan policy under Section 13.02 of the Plan provides that a Participant may receive a Participant loan for any purpose. To modify the default loan policy to restrict the availability of Participant loans, check this AA §B-7 and describe when a Participant may receive a loan.

A Participant may only receive a Participant loan under the following circumstances: \_\_\_\_\_

B-8 **CURE PERIOD.** The Plan provides that a Participant incurs a loan default if a Participant does not repay a missed payment by the end of the calendar quarter following the calendar quarter in which the missed payment was due. To override this default provision to apply a shorter cure period, complete this AA §B-8.

(a) The cure period for determining when a Participant loan is treated as in default will be \_\_\_ days (cannot exceed 90) following the end of the month in which the loan payment is missed.

(b) The cure period for determining when a loan is treated as in default will be \_\_\_ days (cannot exceed 90) following the first missed loan payment.

B-9 **PERIODIC REPAYMENT – PRINCIPAL RESIDENCE.** If a Participant loan is for the purchase of a Participant’s primary residence, the loan repayment period for the purchase of a principal residence may not exceed ten (10) years. To override this default provision, complete this AA §B-9.

(a) The Plan does not permit loan payments to exceed five (5) years, even for the purchase of a principal residence.

(b) The loan repayment period for the purchase of a principal residence may not exceed \_\_\_ years (may not exceed 30), subject to any internal limitations imposed by the Investment Arrangement(s) or the service provider or platform.

(c) Loans for the purchase of a Participant’s primary residence may be payable over any reasonable period commensurate with the period permitted by commercial lenders for similar loans, subject to any internal limitations imposed by the Investment Arrangement or the service provider or platform.

B-10 **TERMINATION OF EMPLOYMENT.** Section 13.10 of the Plan provides that a Participant loan becomes due and payable in full upon the Participant’s termination of employment. To override this default provision, complete this AA §B-10.

A Participant loan will not become due and payable in full upon the Participant’s termination of employment.

B-11 **DIRECT ROLLOVER OF A LOAN NOTE.** Section 13.10(b) of the Plan provides that upon termination of employment a Participant may request the Direct Rollover of a loan note. To override this default provision, complete this AA §B-11.

A Participant may **not** request the Direct Rollover of the loan note upon termination of employment.

B-12 **LOAN RENEGOTIATION.** The default loan policy provides that a Participant may renegotiate a loan, provided the renegotiated loan separately satisfies the reasonable interest rate requirement, the adequate security requirement, the periodic repayment requirement and the loan limitations under the Plan. The Employer may restrict the availability of renegotiations to prescribed purposes provided the ability to renegotiate a Participant loan is available on a nondiscriminatory basis. To override the default loan policy and restrict the ability of a Participant to renegotiate a loan, complete this AA §B-12.

(a) A Participant may **not** renegotiate the terms of a loan.

(b) The following special provisions apply with respect to renegotiated loans: \_\_\_\_\_

B-13 **MODIFICATIONS TO DEFAULT LOAN PROVISIONS.**

The following special rules will apply with respect to Participant loans under the Plan: \_\_\_\_\_

[*Note: Any provision under this AA §B-13 must satisfy the requirements under Code §72(p) and the regulations thereunder and will control over any inconsistent provisions of the Plan dealing with the administration of Participant loans.*]



**APPENDIX C**  
**OTHER PLAN ELECTIONS**

Use this Appendix C to identify certain elections under the Plan. (Note: These elections are considered Plan provisions, and the Employer must execute an amendment or restatement to change these elections.)

C-1 **ROLLOVER CONTRIBUTIONS.** Does the Plan accept **Rollover Contributions**?

- (a) Yes  
 (b) No

[*Note: The Employer may designate in separate written procedures the extent to which it will accept rollovers from designated plan types. For example, the Employer may decide not to accept rollovers from certain designated plans (e.g., 403(b) plans, §457 plans or IRAs).*]

C-2 **LIFE INSURANCE.** Are **life insurance** investments permitted? (See Section 6 of the Plan.)

- (a) Yes (See Section 6.01 of the Plan for rules regarding life insurance investments.)  
 (b) No

C-3 **QDRO PROCEDURES.** Although the requirements of Code §414(p) do not apply to the Plan, the Employer may elect to apply the procedures set forth under Section 11.05 of the Plan (which are patterned after the rules under Code §414(p)) by electing subsection (a) below or may elect not to apply the procedures set forth under Section 11.05 of the Plan and instead, describe the Plan's procedures for addressing domestic relations orders below or in separate administrative procedures.

- (a) The Employer elects to have the requirements of Section 11.05 of the Plan apply to its Plan.  
 (b) The requirements of Section 11.05 of the Plan do not apply to the Plan. The procedures for addressing the receipt of domestic relations orders are either set forth below or in separate administrative procedures.

Describe domestic relations procedures: \_\_\_\_\_

**EMPLOYER SIGNATURE PAGE**

**PURPOSE OF EXECUTION.** This Signature Page is being executed for Manor Township, Armstrong County Police Pension Plan to effect:

- (a) The adoption of a **new plan**, effective \_\_\_\_\_ [Insert Effective Date of Plan.] [Note: Date can be no earlier than the first day of the first Plan Year in which the Plan is adopted.]
- (b) The **restatement** of an existing plan in order to comply with the requirements for Cycle 3 Pre-Approved Plans, pursuant to Rev. Proc. 2017-41.
- (1) Effective date of restatement: January 1, 2025. [Note: Date can be no earlier than the first day of the Plan Year in which the Plan is restated. The Plan may provide for certain retroactive effective dates.]
- (2) Name of plan(s) being restated: Manor Township, Armstrong County Police Pension Plan
- (3) The original effective date of the plan(s) being restated: January 1, 2020
- (c) An **amendment or restatement** of the Plan (other than to comply with the requirements for Cycle 3 Pre-Approved Plans under Rev. Proc. 2017-4). If this Plan is being amended, a snap-on amendment may be used to designate the modifications to the Plan or the updated pages of the Adoption Agreement may be substituted for the original pages in the Adoption Agreement. All prior Employer Signature Pages should be retained as part of this Adoption Agreement.
- (1) Effective Date(s) of amendment/restatement: \_\_\_\_\_
- (2) Name of plan being amended/restated: \_\_\_\_\_
- (3) The original effective date of the plan being amended/restated: \_\_\_\_\_
- (4) If Plan is being amended, identify the Adoption Agreement section(s) being amended: \_\_\_\_\_

**PRE-APPROVED PLAN PROVIDER INFORMATION.** The Pre-Approved Plan Provider (or authorized representative) will inform the Employer of any amendments made to the Plan and will notify the Employer if it discontinues or abandons the Plan. To be eligible to receive such notification, the Employer agrees to notify the Pre-Approved Plan Provider (or authorized representative) of any change in address. The Employer may direct inquiries regarding the Plan or the effect of the IRS Opinion Letter to the Pre-Approved Plan Provider (or authorized representative) at the following location:

**Name of Pre-Approved Plan Provider (or authorized representative):** HUB International Limited

**Address:** 300 North LaSalle Street, Chicago, IL 60654

**Telephone number:** (312) 922-6000

**IMPORTANT INFORMATION ABOUT THIS PRE-APPROVED PLAN.** A failure to properly complete the elections in this Adoption Agreement or to operate the Plan in accordance with applicable law may result in disqualification of the Plan. An Adopting Employer may rely on the Favorable IRS Letter issued to this Plan by the Internal Revenue Service as evidence that the Plan is qualified under Code §401 only if (a) the Plan has a currently valid Favorable IRS Letter, (b) the Employer's Plan is identical to the Pre-Approved Plan, and (c) the Employer has not amended the Plan other than to choose from among options provided under the Plan or to make limited amendments consistent with maintaining a Pre-Approved Plan.

An adopting Employer may not rely on a Favorable IRS Letter with respect to compliance with (a) the nondiscrimination requirements of Code §§401(a)(4), 401(l), 410(b), or 414(s); or (b) the limitations on benefits and contributions and top-heavy plan requirements under Code §§415 and 416, where the Employer maintains or has ever maintained another plan covering the same Participants.

An adopting Employer may rely on the Favorable IRS Letter with respect to the minimum participation requirements of Code §401(a)(26) and the minimum coverage requirements of Code §410(b) if all nonexcludable Employees benefit under the Plan, and/or the Plan satisfies the requirements of Code §401(a)(26) with respect to its prior benefit structure (or is deemed to satisfy Code §401(a)(26) pursuant to regulations thereunder).

An adopting Employer of a Plan that contains a cash balance formula with a structure of principal credits that increase with age, service, or any other measure during a Participant's employment may not rely on the Favorable IRS Letter with respect to the requirements of Code §411(b)(1).

An adopting Employer may not rely on the Favorable IRS Letter in certain other circumstances which are specified in the Favorable IRS Letter issued with respect to the Plan and in Rev. Proc. 2017-41.

By executing this Adoption Agreement, the Employer intends to adopt the provisions as set forth in this Adoption Agreement and the related Plan document. By signing this Adoption Agreement, the individual below represents that such individual has the authority to execute this Plan document on behalf of the Employer. This Adoption Agreement may only be used in conjunction with Basic Plan Document #06. The Employer understands that the Pre-Approved Plan Provider has no responsibility or liability regarding the suitability of the Plan for the Employer's needs or the options elected under this Adoption Agreement. It is recommended that the Employer consult with legal counsel before executing this Adoption Agreement.

Manor Township, Armstrong County  
(Name of Employer)

Donald W. Palmer Jr

Chairman

(Name of authorized representative)

(Title)



3-21-2025

(Signature)

(Date)

[Note: The above signature requirement may be satisfied by an electronic signature that reliably authenticates and verifies the adoption of the Adoption Agreement, or restatement, amendment, or modification thereof, by the Employer.]

**TRUST DECLARATION**

This Trust Declaration may be used to identify and adopt the Trust associated with the Plan.

[*Note: The Internal Revenue Service does not review the Trust Declaration, or the trust provisions associated with Pre-Approved Plans. Therefore, the provisions of the Trust Declaration, ASC Trust Agreement or any separate Trust agreement have not been approved by the IRS and the IRS opinion letter does not cover such Trust Agreement. The Provider, the Trustee and the adopting Employer should review the applicable Trust provisions, and any modifications thereto, with legal counsel to ensure the provisions are appropriate for the Plan and consistent with Employer elections.*]

Name of Plan. Manor Township, Armstrong County Police Pension Plan

Name of Employer. Manor Township, Armstrong County

Effective date of Trust Agreement: January 1, 2025

(a) The Trust terms are:

(1) **Determined under the Trust provisions contained in the ASC Trust Agreement - Standard.**

[*Note: Trustee must complete the Trustee Signature section under Section (b) below.*]

(i) **Directed Trustee.** The Trustee may only invest Plan assets as directed by the Plan Administrator, the Employer, an Investment Manager or other Named Fiduciary or, to the extent authorized under the Plan, a Plan Participant.

(ii) **Discretionary Trustee.** The Trustee has discretion to invest Plan assets, unless specifically directed otherwise by the Plan Administrator, the Employer, an Investment Manager or other Named Fiduciary.

[**Modification of ASC Trust Agreement Provisions.** The Employer may amend the Trust provisions as provided under Section 1.19 of the ASC Trust Agreement. Plan provisions will override any conflicting provisions in the Trust Agreement, including any modification thereto. The Provider and the adopting Employer should review any modifications of the ASC Trust Agreement with legal counsel to ensure the provisions are appropriate for the Plan and consistent with Employer elections.]

(2) **Determined under a separate Trust agreement(s).** The Trust provisions are contained in a separate Trust Agreement that has been furnished to the Employer. Notwithstanding the terms of the Plan, the terms of the Trust Agreement shall control the rights and responsibilities of the Trustee with respect to the Trust and the assets held in such Trust.

Name of Trustee. Board of Trustees of the Pennsylvania Municipalities Pension Trust

Title of Trust Agreement. Pennsylvania Municipalities Pension Trust

Address of Trustee. 4855 Woodland Drive

Enola, PA 17025

[*Note: In using a separate Trust Agreement, the Trustee may adopt such Trust Agreement by either completing the Trustee Signature section under Section (b) below or may execute the separate Trust Agreement. In either case, the information above – Name of Trustee, Title of Trust Agreement and Address of Trustee – must be completed.*]

(3) **Plan is funded with custodial accounts, annuity contracts and/or insurance contracts.** There is no Trust associated with the Plan because the Plan is funded exclusively with custodial accounts, annuity contracts and/or insurance contracts.

[*Note: No signature is required under this Trust Declaration if the Plan is funded exclusively with custodial accounts, annuity contracts and/or insurance contracts. The Employer or Plan Administrator may enter into a separate agreement with the custodian or insurance company. Such separate agreement must be consistent with the terms of the Plan.*]

**ADDENDUM**  
**ADDITIONAL PLAN PROVISIONS**

The following adds to, or clarifies specific provisions of the Adoption Agreement:

1. Section 6, Benefit Formulas. The following is added to paragraph 6-1 (d)(ii):

The following applies if the Plan is subject to Act 600, being the Act of May 29, 1956, as amended:

A Participant employed by the Township as a Police Officer for at least six months and who enters active military service for the United States shall have credited to his or her employment record for pension or retirement benefit purposes all of the time spent in such active military service, if such Participant returns to his or her employment with the Township within six months of his or her separation from such military service, provided such separation is not dishonorable, subject to any exceptions set forth in Act 600, section 4(c).

Any member of the police force who was not employed, or employed for less than six months by the Township prior to entering active military service shall be entitled to purchase full service credit for each year of active military service or fraction thereof, not to exceed five years. The amount due for the purchase of credit for military service, other than intervening military service, shall be computed by applying the statewide average normal cost rate for similar municipalities as certified by the Public Employee Retirement Study Commission, but not to exceed ten percent, to the member's average annual rate of compensation over the first three years of service with the Township and multiplying the result by the number of years and fractional part of creditable non-intervening military service being purchased, together with interest at the rate of 4 ¾% compounded annually from the date of initial entry into Township service to the date of purchase.

Any member of the police force shall be eligible to receive service credit for intervening and non-intervening active military service as provided above so long as the member is not entitled to receive, eligible to receive now or in the future, or is receiving retirement benefits for such service under a retirement system administered wholly or partially paid for by any other governmental agency with the exception of a member eligible to receive or receiving military retirement pay earned by a combination of active duty and non-active duty with a reserve or National Guard component of the armed forces which retirement pay is payable only upon the attainment of a specified age and period of service under 10 U.S.C. Ch 67 (relating to retired pay for non-regular service).

The following applies if the Plan requires Mandatory Employee Contributions:

If a Participant terminates employment with the Township, receives a distribution of his or her Mandatory Employee Contributions with all accrued interest, subsequently returns to service as a police officer for the Township, the Participant shall be credited for such prior service for pension purposes upon repayment of his or her Mandatory Employee Contributions and interest previously distributed.

2. Section 6, Benefit Formulas. The following is added to paragraph 6-5 (f):

Any Participant who, for any reason is ineligible to receive a pension benefit after having contributed his or her Mandatory Employee Contributions to the Plan, shall be entitled to a refund of all such Contributions, plus all interest earned by such Contributions as of his or her termination of employment with the Township. If such termination is due to death, his or her Mandatory Employee Contributions with all accrued interest will be paid to the Participant's spouse, child(ren) of the Participant, other designated beneficiary, or if no beneficiary is designated, the Participant's estate.

**CARES/SECURE ACTS INTERIM AMENDMENT  
ELECTIVE PROVISIONS**

These Elective Provisions provide for elections related to the Interim Amendment. If the adopting Employer agrees to the default for a particular provision or the provision does not apply to the Employer's Plan, the adopting Employer does not need to make an election for that provision. If the adopting Employer wishes to override any of the defaults, the adopting Employer should make the appropriate election(s) in the Elective Provisions below. If the defaults are not used, the adopting Employer will need to execute these Elective Provisions.

**CS-1. IN-SERVICE DISTRIBUTIONS. (See IA §5.05)**

**Age 59 ½ in-service distributions.** Unless an election is made below, the Employer does not elect to change the Plan's in-service distribution options under AA §10-1 of the Plan.

- (a) Effective \_\_\_\_\_ [insert date no earlier than the first day of the Plan Year beginning after December 31, 2019], a Participant may withdraw all or any portion of his/her vested Accrued Benefit, upon the attainment of age \_\_\_\_\_ [may not be earlier than age 59 ½ ].
- (b) Describe any special rules related to the in-service distributions: \_\_\_\_\_

**CS-2. PLAN ADOPTED BY FILING DUE DATE. (See IA §5.06)**

- The Employer elects to treat the Plan as having been adopted as of the last day of its taxable year ending \_\_\_\_\_. (See IA §5.06 for rules relating to the timing of this election.)

**CS-3. SPECIAL PROVISIONS.**

If the Employer wishes to provide additional or clarifying provisions to this Interim Amendment, the Employer may include such provisions below.

- Describe any special rules related to this Interim Amendment: \_\_\_\_\_

**APPLICATION OF INTERIM AMENDMENT**

Pursuant to Revenue Procedure 2015-36 and Section 14.01(a) of the Plan, to the extent this Interim Amendment has been adopted by the Pre-Approved Plan Provider on behalf of its adopting Employers, the Employer does not need to sign these Elective Provisions. If the Employer wishes to change the Elective Provisions, the Employer (or the authorized representative of the Employer) must execute this Interim Amendment by signing below. This amendment applies to the Employer and all Participating Employers under the Plan.

Manor Township, Armstrong County Police Pension Plan

Name of Plan

Manor Township, Armstrong County

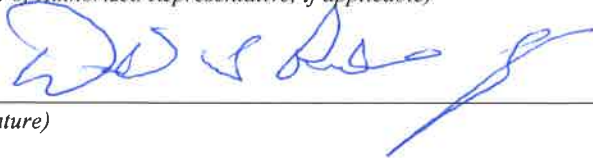
(Name of Employer)

Donald W. Palmer, Jr.

(Name of Authorized Representative, if applicable)

Chairman

(Title)



(Signature)

3-21-2025

(Date)