

THE TOWN OF EAST WINDSOR
DEFINED BENEFIT PENSION PLAN

As Amended and Restated Effective January 1, 2019
(Except as Otherwise Provided Herein)

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PREAMBLE

Effective July 1, 1970, the Town of East Windsor ("Town"), a Connecticut municipality, adopted The Town of East Windsor Pension Plan, herein renamed the Town of East Windsor Defined Benefit Pension Plan (the "Plan"). The Plan was previously composed of at least six different plan documents which were amended and restated into one plan document effective January 1, 2009. The Plan is maintained for the exclusive benefit of eligible Members and their beneficiaries.

It is intended that the Plan, as amended and restated herein, be a governmental plan, as defined in Code Section 414(d), and continue to constitute a qualified pension plan under Code Section 401(a) and that the Trust shall be exempt from tax under the applicable provisions of the Treasury Regulations and rulings thereunder. The purpose of this amendment and restatement is to reflect the latest collectively bargained provisions concerning benefits provided hereunder, as well as applicable amendments required by Internal Revenue Service Notice 2015-85, 2015 Cumulative List of Changes in Plan Qualification, Internal Revenue Service Notice 2016-80, Required Amendments List for Qualified Retirement Plans, and Notice 2017-72, 2017 Required Amendments List for Qualified Plans. If any provision of the Plan should be subject to more than one interpretation, such provision shall be interpreted in a manner that shall be consistent with the Plan being regarded as a qualified pension plan and the Trust being exempt from tax as aforesaid.

The Plan, as amended and restated herein, shall become effective as January 1, 2019 (hereinafter referred to as the "Effective Date"), except as otherwise provided herein, and constitutes an amendment, restatement, and continuation of the Town of East Windsor Pension Plan as amended and in effect on the day prior to the Effective Date. Except as the parties may mutually agree, the Plan, as restated herein, shall remain in effect until the date set forth in the applicable Appendix.

Any Participant who retired or otherwise terminated their employment prior to the Effective Date shall have their rights and benefits, if any, determined in accordance with the terms of the Plan as in effect on such Participant's date of retirement or other termination of employment, except as otherwise specifically provided in this Plan.

1.5 "Adjustment Factor" means the Early Retirement reduction factor as determined to be the Actuarial Equivalent using the assumptions set forth in section 1.3 above.

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

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

1.8 "Annuity Starting Date" means, with respect to any Participant, the first day of the first period for which an amount is paid as an annuity, or, in the case of a single sum payment, the first day on which all events have occurred which entitle the Participant, or the Participant's Beneficiary, if applicable, to such benefit.

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

1.9 "Authorized Leave of Absence" shall mean any absence authorized by the Employer under the Employer's standard personnel practices, provided that all persons under similar circumstances must be treated alike in the granting of such Authorized Leaves of Absence and provided further that the Employee returns within the period of authorized absence.

1.15 "Earnings" means, the "wages" as defined in Code Section 3401(a) (for purposes of income tax withholding at the source) paid to a Participant by the Town during the period he or she is Participant. Notwithstanding the preceding sentence:

(a) There shall be included in a Participant's Earnings (1) any "elective deferral" [as defined in Code Section 402(g)(3)]; (2) any amount which is contributed or deferred by the Town at the election of such Participant and which is not includible in his or her gross income under Code Sections 125 or 132(f); and (3) any Pick-Up Contributions.

(b) There shall be excluded from a Participant's Earnings all of the following: bonuses, overtime pay, commissions, workers' compensation benefits, longevity pay, stipends, reimbursements or other expense allowances, fringe benefits (cash or noncash), moving expenses, nonqualified deferred compensation as defined in 409A of the Code, welfare benefits (even if includable in gross income) and all additions above base pay. Earnings shall be recognized as of an Employee's effective date of participation pursuant to Section 2.1. Effective for Plan Years beginning after December 31, 2008, if the Employer pays any "differential wage payment" as defined in Section 105(a) of the Heroes Earnings Assistance and Relief Act of 2008 (HEART Act), such differential pay shall be included in Earnings.

(c) Earnings shall exclude any pay received after severance of employment, except that there shall be included in a Participant's Earnings any payment after termination of his or her employment that is compensation for services during the Participant's regular working hours, or compensation for services outside such regular working hours, if such payment (1) would have been paid to the Participant prior to a severance from employment if the Participant had continued in employment with the Town; (2) is paid by the later of 2½ months after severance from employment or the end of the Plan Year including the date of severance from employment; and (3) is not excluded under 1.15(b).

(d) Notwithstanding any other provision of the Plan to the contrary, in no event shall a Participant's Earnings taken into account for any Plan Year exceed \$275,000, (for 2019), increased as permitted under Section 401(a)(17)(B) of the Code to reflect cost-of-living adjustments.

1.16 "Effective Date" means July 4, 1970, except that the provisions of this amended and restated Plan shall be effective January 1, 2019, except as otherwise provided herein.

(b) For which an Employee is directly or indirectly paid, or entitled to payment by the Employer on account of a period of time during which no duties are performed by the Employee (irrespective of whether the employment relationship has terminated) due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence, which hours shall be credited to the computation period or periods in which the period during which no duties are performed occurs.

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

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

For purposes of this Section 2.18, the same Hours of Service shall not be credited under both Sections 1.21(a) or (b) and under Section 1.21(c).

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

1.23 "Normal Retirement Date" means the first of the month coinciding with or following the date on which the Participant attains the Normal Retirement Age-have the meaning as set forth in the applicable Appendix.

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

1.35 "Town" means the Town of East Windsor, Connecticut.

1.36 [Intentionally left blank]

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

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

1.39 "Trustee" means such individual or corporate fiduciary or fiduciaries as may be duly appointed by the Pension Board to hold the assets of the Plan pursuant to the terms of this Plan and the Trust.

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

ARTICLE II PARTICIPATION

2.1 Eligibility.

Each Eligible Employee who is a Participant in the Plan on January 1, 2019 shall continue to be a Participant in the Plan. Each other Eligible Employee shall become an active Participant on his or her Entry Date as set forth in the applicable Appendix.

2.2 Mandatory Participation.

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

Plan. The amount of the Employer's contribution shall be determined at the discretion of the Town based on the recommendations of the Plan's Actuary.

3.2 Participant Contributions.

a. Each Eligible Employee who is a Participant for purposes of this Article III shall be required to make a Pick-Up Contribution to the Plan each pay period. The amount of such Pick-Up Contribution shall be equal to the percentage of the Participant's Earnings specified in the applicable Appendix.

b. In accordance with Section 414(h)(2) of the Code, the Employer shall "pick up" the contributions required of Participants under this Section 3.2, such that the contributions so "picked up" shall be considered contributions of the Employer rather than Participant contributions under the Code, but only if, as to Participants represented by a particular Union, the pick-up of contributions has been agreed to in collective bargaining between the Town and such Union. Although such contributions are designated as Participant contributions, they shall be treated as being paid by the Employer in lieu of contributions by Participants. No Participant whose contributions are to be picked up pursuant to this Section 3.2 shall have the option of choosing to receive the contributed amounts directly instead of having them paid by the Employer to the Plan.

c. A Participant's Pick-Up Contributions shall be credited to his or her Pick-Up Account.

d. Interest on a Participant's Pick-Up Contributions shall be credited annually at one hundred and twenty percent (120%) of the federal mid-term rate as in effect under Code Section 1274 for the first month of the Plan Year. Interest shall be compounded annually and shall be credited from the first day of the Plan Year following the date each contribution was due to the first day of the calendar month which is coincident with or next preceding the date as of which a determination is made, but not later than the earlier of a Participant's Annuity Starting Date or the date of the Participant's death.

e. Vesting. A Participant shall always be fully vested in the balance of his or her Pick-Up Account.

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

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

(b) The amount of such Disability Retirement Benefit for all Participants hereunder shall be equal to the Participant's Normal Retirement Benefit as calculated in Section 4.1, using the Participant's Benefit Service completed prior to the Participant's disability retirement date, reduced to reflect Early Retirement based on the Actuarial Equivalent.

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

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

(i) For a Participant who is not a sworn uniformed officer of the Town's Police Department at the time he or she becomes Totally and Permanently Disabled, Disability Retirement Benefits shall be payable for the remainder of the Participant's life, in accordance with the payment requirements of the form of benefit the Participant selects under Article V.

4.4 Limitation on Benefits

The benefits payable hereunder shall be subject to the limitations set forth in Article XI.

ARTICLE V DISTRIBUTION OF BENEFITS

5.1 Normal Form of Benefit.

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

(i) Unmarried Participants: A Participant who is not married on his or her Annuity Starting Date shall receive such benefit in the form of a Ten-Year Certain and Life Annuity. Such Participant shall receive a monthly retirement benefit payable for his or her

(d) Subject to the requirements of Section 5.8, a Participant may waive the normal form of payment applicable to him or her and elect to receive payment of his or her benefit in one of the optional forms of payment provided in Section 5.2.

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

5.2 Optional Forms of Benefit.

Within the election period described in Section 5.7, a Participant who is eligible to receive a Normal, Early, or Disability Retirement Benefit may elect to receive payment of such benefit in accordance with any one of the following options. If the Participant is married on his or her Annuity Starting Date, any such election must satisfy the spousal consent requirements of Section 5.8. The monthly payments made under any optional form of payment hereunder shall be the Actuarial Equivalent of the monthly benefit otherwise payable to the Participant in the Ten-Year Certain and Life Annuity form described in Section 5.1.

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

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

(c) Joint and Survivor Annuity. The Participant shall receive a reduced monthly retirement benefit payable for his or her lifetime. After the Participant's death, monthly payments shall be made to the Beneficiary designated by the Participant in an amount equal to 50%, 67% or 100% of the amount payable each month during the Participant's lifetime. The percentage of the Participant's monthly benefit payable as a survivor annuity is determined by the Participant at the time he or she elects this optional form of benefit. The last monthly payment under this option shall be made for the month in which the Beneficiary's death occurs. Except as provided in Section 7.2, in no event will a refund of Participant Contributions be available after the death of both the Participant and Beneficiary.

5.6 Notice Regarding Forms of Benefit.

No more than one hundred eighty (180) days before the Participant's Annuity Starting Date, the Plan Administrator shall provide a Participant with a written description of: (i) the terms and conditions of the normal forms of payment provided in Section 5.1, (ii) the optional forms of payment provided in Section 5.2, (iii) the Participant's right to waive the normal form of payment provided in Section 5.1 and to elect an optional form of payment and the effect of such an election, (iv) the rights of the Participant's Spouse with respect to the Joint and Survivor Annuity form of payment, and (v) the Participant's right to revoke a waiver of the normal form of payment or to change his or her election of an option and the effect thereof. The explanation shall notify the Participant of his or her right to defer payment of his or her retirement benefit under the Plan until his or her Normal Retirement Date, or such later date as may be provided under the Plan.

5.7 Election Period for Forms of Benefit.

A Participant may waive or revoke a waiver of the normal form of payment provided in Section 5.1, or elect, modify, or change an election of an optional form of payment provided in Section 5.2, by written notice delivered to the Town at any time during the one hundred eighty (180) day period ending on his or her Annuity Starting Date; provided, however, that no waiver of the normal form of payment and election of an optional form of payment shall be valid unless the Participant has received the notice described in Section 5.6 and, if applicable, has provided spousal consent as set forth in Section 5.8. The form in which a Participant shall receive payment of his or her retirement benefit shall be determined upon his or her Annuity Starting Date based upon any waiver and election in effect on such date. Except as otherwise specifically provided in the Plan, in no event shall the form in which a Participant's retirement benefit is paid be changed on or after his or her Annuity Starting Date.

5.8 Spousal Consent.

A married Participant's waiver of the normal fifty percent (50%) Joint and Survivor Annuity form of payment and his or her election, modification, or change of an election of an optional form of payment must include the written consent of the Participant's Spouse, if any. A Participant's Spouse shall be deemed to have given written consent to the Participant's waiver

continue to apply to benefits accrued before his or her reemployment, and shall also apply to benefits accrued after his or her reemployment.

5.11 Required Distributions.

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

b. Notwithstanding any provision in the Plan to the contrary, the distribution of a Participant's retirement benefits, whether under the Plan or through the purchase of an annuity contract, shall be made in accordance with the following requirements and shall otherwise comply with Code Section 401(a)(9) and the Regulations thereunder, the provisions of which are incorporated herein by reference:

(i) A Participant's benefits shall be distributed, or shall commence to be distributed, to him or her no later than April 1st of the calendar year following the later of: (A) the calendar year in which, the Participant attains age 70 $\frac{1}{2}$; or (B) the calendar year in which the Participant retires. Alternatively, distributions to a Participant must begin no later than the applicable April 1st as determined under the preceding sentence and must be made over the life of the Participant (or the lives of the Participant and the Participant's designated Beneficiary) or the life expectancy of the Participant (or the life expectancies of the Participant and his designated Beneficiary) in accordance with the Code.

(ii) Distributions to a Participant and his or her Beneficiaries shall be made in accordance with the incidental death benefit requirements of Code Section 401(a)(9)(G).

c. For purposes of this Section the life of a Participant and a Participant's Spouse shall be computed using the life expectancy and joint and last survivor expectancy shall be computed by use of the Single Life Table or the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Regulations, as required by the Regulations.

5.12 Rollover Distribution Requirements.

(a) The Plan Administrator shall furnish each Participant, no less than thirty (30) days and no more than one hundred eighty (180) days prior to the date such Participant will receive a distribution which is not paid in the form of an annuity, with a written explanation of

(d) The foregoing requirements of this Section 5.12 shall apply to distributions made to (i) the Participant's or former Participant's surviving spouse; (ii) the Participant's or former Participant's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in section 414(p) of the Code; and (iii) the Participant's or former Participant's non-spouse Beneficiary. However, in such case, Direct Rollover distributions may only be made to an individual retirement account or annuity described in Section 408(a) or Section 408(b) or Roth IRA described in Section 408A. In the case of a nonspouse Beneficiary, a Direct Rollover may be made only to an individual retirement account or annuity described in Section 408(a) or Section 408(b) or a Roth IRA described in Section 408A that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to Code Section 402(c)(11). Also, the determination of any required minimum distribution under Code Section 401(a)(9) that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395.

5.13 Suspension of Benefits.

Notwithstanding any provision in this Plan to the contrary, and subject to any required minimum distributions pursuant to Section 5.11, if a Participant continues employment with the Employer after reaching his or her Normal Retirement Date or a retired or former Eligible Employee is reemployed by the Employer, any benefits payable to such Participant or retired or former Eligible Employee under the Plan shall be suspended during the period of such employment or reemployment, as applicable, provided however, that such Participants, including elected officials, who work less than 1,000 hours annually, may continue to receive their benefit payments.

ARTICLE VI TERMINATION OF EMPLOYMENT BENEFITS

6.1 Vesting.

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

| <u>Years of Service</u> | <u>Percentage Vested</u> |
|-------------------------|--------------------------|
| Less than 5 Years | 0% |

percent (50%) Joint and Survivor Annuity. Payment of the survivor portion of such fifty percent (50%) Joint and Survivor Annuity shall begin as of the first day of the month following the Participant's death or, if later, the first day of the month following the earliest date on which the Participant could have retired under the Plan. If payments begin prior to the date on which the Participant would have attained his or her Normal Retirement Date, the Pre-retirement Survivor Annuity will be calculated based on the benefit the Participant would have received, at the earlier of the time of his or her severance from service or his or her death, based on the Actuarial Equivalent. Payment of the survivor portion of such fifty percent (50%) Joint and Survivor Annuity shall continue for the lifetime of the Spouse with the last monthly payment being for the month in which the Spouse's death occurs.

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

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

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

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

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

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

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

payments made under the terms of the Plan either to the Participant and/or his or her Beneficiary or to the Participant's Spouse.

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

If no Beneficiary shall have been designated by a Participant, or if all persons designated by him or her as Beneficiary shall die before becoming entitled to a death benefit hereunder, then such Participant's Beneficiary shall be his or her surviving spouse; or if there is not surviving spouse, the Participant's descendants who survive him or her, *per stirpes*; or if there are no descendants, the Participant's surviving parents, in equal shares; or if there are no surviving parents, the Participant's estate. If a Beneficiary shall die after becoming entitled to receive a death benefit hereunder, but before payment of such death benefit shall have been made in full, and if no other person or persons shall have been designated by the Participant to receive the remaining portion of such death benefit upon the happening of such contingency, the estate of such deceased Beneficiary shall become the Beneficiary as to such remaining portion. A Beneficiary designation under this Section shall be separate from any Beneficiary designation under any other provisions of this Article VII.

7.3 Cashout of Small Death Benefit.

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

the Employer. If any such contributions are to be returned, the Town shall direct the Trustee, in writing to return such amounts.

8.4 Forfeitures Not to Increase Benefits.

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

8.5 Change of Funding Medium.

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

**ARTICLE IX
PLAN ADMINISTRATION**

9.1 Administration.

The Town shall be the Plan Administrator. Pursuant to Town Charter section 7-2(L)(3), the Town has delegated its administrative duties to the Town Treasurer.

9.2 Agents.

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

9.3 Procedures.

The Town, through its Pension Board, shall adopt such rules, bylaws and/or procedures as it deems desirable and shall keep all such books of account, records and other data as may be necessary for proper administration of the Plan. The Pension Board shall keep a record of all actions and forward all necessary communications to the Trustee and the Town. The Pension

9.5 Pension Board.

(a) The investment of the Plan's assets shall be administered by a Pension Board consisting of such members as set forth in the Town Charter and applicable Town of East Windsor Ordinance(s).

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

(c) The Pension Board shall have no authority or responsibility for making contributions to the Plan. The Pension Board shall have the authority to formulate the Plan's funding policy and method.

9.6 Liability and Indemnification of the Pension Board.

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

9.7 Claims Procedure

Claims for benefits under the Plan may be filed with the Town Treasurer on forms supplied by the Employer. Written notice of the disposition of a claim shall be furnished to the claimant within a reasonable period of time after the application is filed. In the event the claim is denied, in whole or in part, the reasons for the denial shall be specifically set forth in the notice in language calculated to be understood by the claimant, pertinent provisions of the Plan shall be cited, and, where appropriate, an explanation as to how the claimant can perfect the claim will be

order." For the purposes of this Section, "alternate payee" and "qualified domestic relations order" shall have the meaning set forth under Code Section 414(p). The Plan Administrator shall establish reasonable procedures to determine the status of domestic relations orders and to administer distributions under domestic relations orders which it approves. Further, to the extent provided under a "qualified domestic relations order", a former spouse of a Participant shall be treated as the spouse or surviving spouse for all purposes under the Plan.

ARTICLE X AMENDMENT AND TERMINATION

10.1 Amendment.

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

An amendment shall become effective upon authorization by a resolution of the Pension Board and execution by the Town of an appropriate written instrument and, if the rights or duties of the Trustee are affected, consent to the amendment by the Trustee.

10.2 Termination.

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

10.3 Residual Assets.

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

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

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

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

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

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

(iii) the applicable interest rate under Treas. Reg. § 1.417(e)-1(d)(3) and the IRS Mortality Table under Treas. Reg. § 1.417(e)-1(d)(2), divided by 1.05.

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

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

payee, until a claim is made by the duly appointed guardian or other legal representative of the Participant, Beneficiary or other payee.

12.4 Claims of other Persons.

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

12.5 Governing Law.

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

12.6 Benefit Offsets for Overpayments.

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

12.7 Plan Correction.

The Plan administrator in conjunction with the Town and the Pension Board may undertake such correction of Plan errors as the Treasurer deems necessary, including correction to preserve tax qualification of the Plan under Code Section 401(a) or to correct a fiduciary breach. Without limiting the administrator's authority under the prior sentence, the administrator as it determines to be reasonable and appropriate, may undertake correction of Plan document, operational, and employee eligibility failures under a method described in the Plan or under the IRS Employee Plan Compliance Resolution System ("EPCRS") or any successor program to EPCRS. The administrator, as it determines to be reasonable and appropriate, also may undertake to assist the appropriate fiduciary or plan official in undertaking correction of any fiduciary breach.

IN WITNESS WHEREOF, the Town has caused this amended and restated Plan to be executed on this 2 day of August, 2019.

THE TOWN OF EAST WINDSOR

By Robert Maynard
Its First Selectman

The above and foregoing is a true and attested copy of the TOWN OF EAST WINDSOR DEFINED BENEFIT PENSION PLAN as amended and restated effective January 1, 2019.

Attest:

Name: Joanne m. Slater
Town Clerk Joanne m Slater

[Attachments: Appendices A – H.]

APPENDIX H
PROVISIONS FOR PARTICIPANTS EMPLOYED AS
UNAFFILIATED BOARD OF EDUCATION EMPLOYEES

This Appendix H lists the provisions applicable to Eligible Employees of the Town East Windsor Board of Education and who are not affiliated with a collective bargaining unit. If any provision of this Appendix H is inconsistent with the terms contained in the remainder of the Plan, the provisions contained in this Appendix I shall take precedence.

1. Entry Date.

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

2. Picked-up Contributions.

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

3. Normal Retirement.

(a) "Normal Retirement Date" means the first of the month following the date on which the Participant attains Normal Retirement Age.

(b) "Normal Retirement Age" means age sixty-five (65), or if later, the fifth (5th) anniversary of the date on which the Participant commenced participation in the Plan.

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

4. Average Annual Earnings

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

5. Vesting

Vesting shall be as provided for in Section 6.1 of this Plan.

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

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

1. Definitions

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

1.2. "Electing Tier A Participant" means a Tier A Participant who has timely elected to participate in Tier B pursuant to section 2.1 of this Appendix E.

1.3. "Entry Date" means the first day of the Plan Year on which an Eligible Employee becomes an Active Participant which shall occur coinciding with or following the later of (i) the date he or she attains age twenty-one (21); or (ii) the date he or she completes one Year of Service measured from the Eligible Employee's date of hire.

1.4. "Normal Retirement Age" means the age at which a Participant attains the later of age sixty-five (65) or 60 calendar months of service.

1.5. "Tier A Participant" means any Eligible Employee initially hired on or before July 31, 2021.

1.6. "Tier B Account" means the notional account maintained for each Tier B Participant and each Electing Tier A Participant as set forth in section 4.2 of this Appendix E.

1.7. "Tier B Allocation" means the notional allocation made to the Participant's Tier B Account pursuant to section 4.2(a) of this Appendix E.

1.8. "Tier B Participant" means any Eligible Employee initially hired on or after August 1, 2021.

2. Participation

2.1. Mandatory Participation. Each Eligible Employee who has met the Plan's eligibility requirements as set forth in section 2.1 of the Plan document shall be required to participate in the Plan as a condition of employment upon his or her Entry Date. Tier A Participants shall participate in Tier A, provided, however, that a Tier A Participant as of July 31, 2021, shall have the right to participate in Tier B, provided the Tier A Participant submits an election form (in a form provided by the Pension Board) no later than 4:00 p.m. on July 30, 2021. A Tier B Participant shall participate in Tier B.

2.2. Participation Upon Reemployment. If a former Active Participant is reemployed as an Eligible Employee, he or she shall again become an Active Participant as of his or her reemployment date. Such a reemployed Eligible Employee shall be a Tier B Participant; except a former Tier A Participant who is reemployed shall return as a Tier A Participant if any of the following apply:

- a. the Participant earned and retained the right to a vested retirement benefit as a Tier A Participant.
- b. the Participant returns to service after a period during which he or she was receiving retirement benefits under this Plan, including disability retirement benefits; or
- c. the time the Participant was away from Town service is less than Participant's prior actual Town service or 60 calendar months, whichever is greater.

3. Participant Contributions

3.1. Tier A: Subject to section 3.3, A Tier A Participant's Picked-up Contributions shall be equal to the following:

- 3% of Earnings per pay period effective on and after August 1, 2021
- 3.25% of Earnings per pay period effective on and after January 1, 2022
- 3.50% of Earnings per pay period effective on and after January 1, 2023

3.2. Tier B and Electing Tier A: A Tier B Participant's and Electing Tier A Participant's Picked-up Contributions shall be 3% greater than the contribution rates set forth in 3.1 above for Tier A Participants, as adjusted pursuant to 3.3 below.

3.3. Risk Sharing

a. Notwithstanding the above, effective as of August 1, 2021, for the period August 1 through December 31, 2021 and each calendar year thereafter, Participants shall share

with the Employer the Plan's investment performance risk as provided in this section 3.3 (the "Risk Sharing Adjustment"). Tier B Participants' Risk Sharing Adjustment shall be the same as for current employees.

b. There shall be a Risk Sharing Adjustment to the Picked-up Contribution rates set forth in 3.1 for 2022 and 2023 and each calendar year thereafter in an amount not to exceed an annual cap of 1% over the respective year's Picked-up Contribution Rate set forth in 3.1. Therefore, effective each January 1, a Participant's Picked-up Contribution Rate shall be set equal to the Participant's Picked-up Contribution Rate for the applicable year as set forth in 3.1, plus the lesser of (i) 1% and (ii) one-half (1/2) of x minus y , where x is the Expected Investment Rate of Return and y is the Actual Investment Rate of Return. If y is greater than x , then no adjustment is made. The following additional definitions apply:

(i) **Expected Investment Rate of Return** - The Expected Investment Rate of Return is that rate determined for the valuation performed as of the first day of the fiscal year that ends on June 30th immediately prior to the effective date of the Picked-up Contribution Risk Sharing Adjustment described in (b) above.

(ii) **Actual Investment Rate of Return** - The Actual Investment Rate of Return is the actual investment performance of the Pension trust for the fiscal year ending on June 30th immediately prior to the effective date of the Picked-up Contribution adjustment describe in (b) above, as determined using the GASB 68 Money-Weighted Rate of Return.

(iii) For, example, the Risk Sharing Adjustment for 2022 shall be based on the Expected Investment Rate of Return determined by the Pension Board for the July 2020 funding valuation and the Actuarial Investment Rate of Return for the fiscal year ending June 30, 2021

4. Retirement Benefits

4.1. Normal Retirement Benefit. Each Participant shall be entitled to receive, commencing on his or her normal Retirement Date, an annual retirement benefit equal to such Participant's Accrued Benefit which shall be an amount determined as one and three quarters percent (1.75%) of the Participant's Average Annual Earnings multiplied by the number of years (or complete calendar months as applicable) of his or her Benefit Service (herein called such Participant's "Normal Retirement Benefit"), provided, that in no event shall a Participant's Normal Retirement Benefit be equal to more than seventy percent (70%) of the Participant's Average Annual Earnings.

4.2. Tier B Benefit

a. In lieu of the benefits set forth in section 4.1 (Normal Retirement Benefit) above, section 4.2 (Early Retirement Benefit) and section 4.3 (Disability Retirement Benefit) of

the Plan Document, Tier B Participants and Electing Tier A Participants may elect to receive as a benefit their Tier B Account balance.

(i) A Participant's Tier B Account is the sum of the Participant's Tier B Account Allocations and Interest Credits as of the date of determination:

(A) Tier B Account Allocations. For each Plan Year, a Participant shall have such Participant's Tier B Account credited for that Plan Year with a Tier B Allocation equal to the following amounts:

- (1) The Employee's Picked-up Contributions during the Plan Year,
- (2) The Employer's Contributions equal to 5% of Earnings (as defined in Section 1.5 of the Plan document) for the Plan Year while a Participant and
- (3) Interest Credit as defined below.

(B) Eligibility for Allocation. Eligible Participants shall be eligible to receive the Tier B Allocation made under this subsection based on actual Earnings with no minimum for hours worked.

(C) Time of Allocation. Tier B Allocation shall be credited as of the last day of the Plan Year. (However, the Participant does not have to be employed as of the last day of the Plan Year). Pro-rata credit will be applied in the event that a Participant or Beneficiary receives a lump sum form of benefit under the Plan for any reason, including a death benefit under Section 7 of the Appendix E, mid-year.

(D) Interest Credit. For each Plan Year, each Participant's Tier B Account shall be credited, whether or not the Participant remains an Employee, with a notional Interest Credit determined by multiplying the dollar amount of the Participant's Tier B Account as of the beginning of the Plan Year, by 4%. A Participant shall be credited with a pro-rata Interest Credit in the Plan Year in which the Participant's distributions commence based on a rate of $4\% \div 12 \times$ the number of completed calendar months between the beginning of the Plan Year and the date distributions commence. Pro-rata interest credit will be applied at the time that a Participant or Beneficiary receives a lump sum form of benefit under the Plan for any reason, including a death benefit under Section 7 of this Appendix E, mid-year. However, no interest shall be credited for any period after payment of the distribution of the Tier B Account Balance is made as a lump sum.

5. Distribution of Benefits

5.1. Tier B Account Distributions. Tier B Participants and Electing Tier A Participants may elect to receive their Tier B Account Balance in accordance with the forms of

benefit described in section 5.1 of the Plan document, any of the optional forms of benefits described in section 5.2 of the Plan document, or as a lump sum payment.

6. Termination of Benefits

6.1. Vesting

- a. A Tier A Participant (including an Electing Tier A Participant) shall become vested in his or her benefit under the Plan in accordance with the following schedule:

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

- b. A Tier B Participant shall become vested in his or her benefit under the Plan in accordance with the following schedule:

| <u>Years of Service</u> | <u>Percentage Vested</u> |
|-------------------------|--------------------------|
| Less than 10 Years | 0% |
| 10 or more Years | 100% |

- c. Notwithstanding the above, a Participant's Tier B Account shall always be 100% vested.

6.2. Non-Vested Termination

a. Any Tier A Participant, other than an Electing Tier A Participant, whose employment is terminated prior to becoming vested shall receive a refund of his or her Participant Contributions in lieu of any other benefit provided under this Plan. Such refund shall be in the form of a single sum payment as soon as administratively practicable following the Participant's termination.

b. A Tier B Participant and an Electing Tier A Participant whose employment is terminated prior to becoming vested shall receive a single lump sum payment equal to the greater of his or her Participant Contributions or his or her Tier B Account balance as soon as administratively practicable following the Participant's termination.

6.3. Deferred Vested Pensions. A Tier B Participant and an Electing Tier A Participant may elect to receive his or her Tier B Account in accordance with the forms of benefit described in section 5.1 of the Plan document, any of the optional forms of benefits described in section 5.2 of the Plan document, or as a lump sum payment.

7. Death Benefits

7.1. Special Death Benefit. Upon a Participant's death, his or her Beneficiary may be eligible for a death benefit as set forth in this section 7.1.

a. Death Prior to Commencement of Benefit Payments. If a Participant dies prior to his or her Annuity Starting Date and no Pre-retirement Survivor Annuity is payable under the provisions of Article VII of the Plan document, then the following applies

(i) A Tier A Participant's Beneficiary shall receive a death benefit, payable in a single lump sum that is equal to the Participant's Participant Contributions determined as of the Participant's date of death.

(ii) A Beneficiary of a Tier B Participant or an Electing Tier A Participant shall receive a death benefit, payable in a single lump sum, that is equal to the greater of the Participant's Participant Contributions or the Participant's Tier B Account determined as of the Participant's date of death.

This special death benefit shall be administered in accordance with section 5.11 of the Plan document and 401(a)(9) of the Code.

8. Nothing in the Plan document shall disqualify a person who otherwise would have been entitled to participation, accrued service, vesting, and benefits under the prior Plan document as amended and restated January 1, 2009.

9. Duration

The retirement plan, as revised per the above provisions, will remain in place for 3 years, then will automatically renew for a 3-year term unless mutually agreed otherwise.