SECOND AMENDMENT

TO THE CITY OF ALEXANDRIA FIREFIGHTERS AND POLICE OFFICERS PENSION PLAN

Pursuant to the powers of amendment reserved under Section 12.1 of The City of Alexandria Firefighters and Police Officers Pension Plan, as amended and restated effective as of January 1, 2009 (the "Plan"), said Plan shall be and the same is hereby amended by the City of Alexandria, Virginia (the "City"), effective as of May 10, 2011, as follows:

FIRST CHANGE

The definition of "Purchased Period of Credited Service" in Section 1.6 is hereby deleted and the following is inserted in lieu thereof:

Purchased Period of Credited Service

"Purchased Period of Credited Service" means the period of Purchasable Service that was purchased by a Covered Employee in accordance with the provisions of Section 3.5 or 3.6.

SECOND CHANGE

The definition of "Purchasable Service" in Section 1.6 is hereby deleted and the following is inserted in lieu thereof:

Purchasable Service

"Purchasable Service" means:

For purposes of Section 3.5, a period of employment as a Covered Employee that did not constitute Pre-2004 Credited Service, but which would have constituted Pre-2004 Credited Service, except that

contributions made by the City to the Retirement Income Plan with respect to such prior service were distributed to the Participant.

For purposes of Section 3.6, prior employment with the City as a Deputy Sheriff, Emergency Rescue Technician or Fire Marshal.

Purchasable Service shall not include any period that does not constitute "permissive service credit" under Section 415(n) of the Internal Revenue Code.

THIRD CHANGE

The following new Section 3.6 is hereby added:

3.6 Purchase of Additional Credited Service

(a) Each Covered Employee who:

(1) is a Participant in the Plan on October 14, 2010; and

(2) was previously employed by the City as a Deputy Sheriff, Emergency Rescue Technician or Fire Marshal.

may elect to purchase credit for up to four (4) years of Purchasable Service in accordance with, and subject to, the provisions of this Section 3.6. A Participant may elect to either purchase the total amount of his or her Purchasable Service (up to a maximum of four (4) years), or if the Participant does not want to purchase credit for all of his or her Purchasable Service, a Participant may purchase credit for part of his or her period of Purchasable Service (in increments of whole months). The Purchased Period of Credited Service shall be taken into account in determining the Participant's Years of Service and Years of Credited Service in accordance with the provisions of Section 3.6(f).

(b) In order to be effective, an election to purchase credit for Purchasable Service under this Section 3.6 must:

(1) be made on a form supplied by the City for this purpose;

(2) returned to (and the receipt acknowledged by) the Department of Finance on or before 5:00 P.M. (Eastern Time) on August 31, 2011; and

(3) include full amount due for the Purchased Period of Credited Service (as determined under Section 3.6(c)) and/or be accompanied by a payroll deduction authorization (on a form supplied by the City for this purpose).

(c) Participants who desire to purchase credit for Purchasable Service must pay 100% of the actuarial cost of the additional benefit provided under the Plan with respect to the Purchased Period of Credited Service. The actuarial cost of Purchased Period of Credited Service may be separately determined for each year in a Purchased Period of Credited Service and shall be determined by the Administrator, based on the advice of the Actuary.

(d) Payment for all or any portion of the Purchased Period of Credited Service may be made in a single lump sum by (i) a transfer from a Participant's Retirement Income Account (if any); (ii) a transfer from a Participant's account under the City of Alexandria Retirement Income Plan for Deputy Sheriffs, Emergency Rescue Technicians, and Fire Marshals; (iii) a transfer from a Participant's account under any eligible deferred compensation plan (within the meaning of Section 457(b) of the Internal Revenue Code) maintained by the City; (iv) a direct lump sum payment to the Plan; or (v) a direct transfer or rollover from an individual retirement account to the extent permitted by Sections 401 and 408 of the Internal Revenue Code.

(e) In lieu of (or in addition to) a lump sum payment under Section 3.6(d), payment for the Purchased Period of Credited Service may be made through additional Employee Retirement Contributions over a period of up to thirty-six (36) months commencing July 1, 2011. To the extent that a Participant elects to pay for the Purchased Period of Credited Service by making additional Employee Retirement Contributions, then the cost of the Purchased Period of Credited Service (as determined under Section 3.6(c)) shall reflect the deferred payment period (computed based on the interest rate used for determining Actuarial Equivalence under Appendix A). In order for this payment option to be effective, the Participant must execute and deliver to the Administrator any required payroll deduction authorizations. A Participant may revoke the payroll deduction authorization on any anniversary date during the thirty-six (36) month period commencing July 1, 2011 (i.e., on either July 1, 2012 or July 1, 2013), but if such authorization is revoked, the Participant shall only receive credit for Purchased Periods of Credited Service for which the Participant has paid 100% of the actuarial cost.

(f) The Purchased Period of Credited Service shall be taken into account in determining the Participant's Years of Service and Years of Credited Service in accordance with the following provisions:

(1) Upon payment under Section 3.6(d), or as payment is made under Section 3.6(e), the Participant shall be credited with the number of full months in the Purchased Period of Credited Service for which the Participant has paid the full

actuarial cost (i.e., 100% of the cost of the Purchased Period of Credited Service), as determined under Section 3.6(c)(2).

(2) Only full months shall be credited to a Participant. No credit shall be given for partial months.

(3) In the event a Participant ceases to be a Covered Employee for any reason (including Disability or death), or otherwise reaches his or her Termination Date or DROP Effective Date before earning any portion of the Purchased Period of Credited Service in accordance with the provisions of this Section 3.6(f), the Participant shall forfeit all rights to any portion of the Purchased Period of Credited Service for which full payment has not been made.

IN WITNESS WHEREOF, the City has caused this Amendment to be executed by its Acting City Manager on this 7 day of June, 2011.

CITY OF ALEXANDRIA

By: _____
Bruce Johnson, Acting City Manager

APPROVED AS TO FORM:

_____
DEPUTY CITY ATTORNEY