CITY OF ALEXANDRIA

PENSION PLAN FOR FIREFIGHTERS AND POLICE OFFICERS

This is the IRS Cycle C Restatement of the City of Alexandria Pension Plan for Firefighters and Police Officers (the "old" pension plan). It includes the terms of the Pension Plan, as restated effective December 31, 2001, with the following changes: (1) incorporation of the First through Fourth Amendments, and (2) IRS cumulative list and PPA-required changes.

As Amended and Restated Effective January 1, 2009

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History of the Plan

As of July 1, 1956 the City of Alexandria (hereinafter referred to as the "City") established the City of Alexandria Pension Plan for Firefighters, and Police Officers (the "Plan") to provide retirement income and other benefits for certain of its employees and their beneficiaries. The Plan was set forth in Group Annuity Contract GR-574 issued by Connecticut General Life Insurance Company.

The Plan has been amended over the years in order to reflect certain changes and improvements in the retirement program.

Effective January 1, 1984, the Plan was amended and restated to reflect certain legislative changes and amendments to the Plan.

Effective September 1, 1983, the Plan was amended to incorporate gender-neutral Adjustment Factors for contributions made or benefits accrued after August 1, 1983.

Effective January 1, 1984, the Plan was amended to comply with Internal Revenue Rulings 79-90 and 81-12 which required retirement income plans to describe the actuarial assumptions used in computing optional benefits and to provide protection of accrued benefits from rate basis changes.

The Plan was also amended to comply with the Tax Equity Fiscal Responsibility Act of 1982 ("TEFRA"), the Deficit Reduction Act of 1984 ("DEFRA") and the Retirement Equity Act of 1984 ("REA"). In conjunction with these amendments, the Plan incorporated the regulations governing the Internal Revenue Code's Section 415 limitations determining the minimum and maximum amounts of retirement benefits that may be provided for or paid to a Participant under a qualified defined benefit and/or defined contribution plan.

Effective as of December 31, 2001, the Plan was amended and restated in order to comply with further legislative changes including the Tax Reform Act of 1986 (TRA '86), the Uruguay Round Agreements Act ("GATT"), the Uniformed Services Employment and Reemployment Rights Act ("USERRA"), the Small Business Jobs Protection Act of 1996 ("SBJPA") and the Taxpayer Relief Act of 1997 ("TRA '97"), the Internal Revenue Service Restructuring and Reform Act (RRA '98), and the Community Renewal Tax Relief Act of 2000 (CRA).

Effective as of January 1, 2009, the Plan has been amended and restated in order to comply with further legislative and regulatory changes including the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"), the Pension Protection Act of 2006 ("PPA"), and final regulations under Internal Revenue Code Sections 401(a)(9) and 415.

Preservation of Rights

Each Participant under the Plan who is in the active employ of the City on January 1, 2009, shall continue to be a Participant under this Plan on and after January 1, 2009, in accordance with its terms.

Except as hereinafter provided each former employee who was receiving benefits under the Plan prior to January 1, 2009, shall continue to receive such payments in accordance with the terms of the Plan as in effect prior to January 1, 2009.

Except as hereinafter provided each former employee who terminated employment prior to January 1, 2009, shall not be eligible for coverage hereunder.

No provisions of this Plan, other than those required to maintain this Plan as one that is qualified under Code Section 401(a), shall operate to diminish or otherwise adversely affect the amount or terms of retirement income accrued in respect to a Participant's coverage under the Plan as in effect prior to January 1, 2009.

Except as is otherwise explicitly provided in the Plan or as is required by applicable law, the terms of the Plan, as amended and restated, shall apply only with respect to Plan Years (or other applicable 12-month periods, as the case may be) commencing after January 1, 2009.

Except as is otherwise explicitly provided in the Plan or as is required by applicable law, the terms of the Plan, as amended and restated, shall apply only with respect to Employees of the City on and after January 1, 2009, and the rights, benefits and interests of any Employee who died, retired or otherwise terminated his employment with the City prior to January 1, 2009, shall be determined under the provisions of the Plan as in effect on the date such former Employee died, retired or otherwise terminated his employment with the City.

CITY OF ALEXANDRIA PENSION PLAN

FOR FIREFIGHTERS AND POLICE OFFICERS

AS AMENDED AND RESTATED EFFECTIVE DECEMBER 31, 2001

ARTICLE I

DEFINITIONS

1. "PLAN" means the City of Alexandria Pension Plan for Firefighters and Police Officers, as described herein or as hereinafter amended.

2. "CITY" means City of Alexandria, Virginia.

3. "EFFECTIVE DATE" means January 1, 2009, the effective date of this amended and restated Plan; provided, however, that any provision which is contained in this amended and restated Plan (as the same may be further amended from time to time) and which is required to be effective before January 1, 2009, in order to retain the qualification of the Plan under Code Section 401(a) shall, nevertheless, be effective as of its required effective date under the Code.

4. "EMPLOYEE" means any individual in the employ of the City who is classified as a firefighter or police officer, other than an individual who is classified as a meter patrol officer. The term Employee shall include any Leased Employee as described in Code Section 414(n), unless such Leased Employee is covered by a money purchase pension plan sponsored by the lessor under which:

   (1) non-integrated lessor contributions equal or exceed 7½% of compensation; and

   (2) the plan provides for immediate participation and for full and immediate vesting.

   If no such plan exists, any retirement income accrued under this Plan by a Leased Employee will be reduced by the amount of retirement income funded by the lessor which is attributable to the same period of employment.

5. "PARTICIPANT" means an Employee who becomes covered under this Plan.

6. "SPOUSE" means the lawful wife of a male Participant, or the lawful husband of a female Participant.

7. "BENEFICIARY" means the Beneficiary designated in accordance with the further terms of this Plan or who is otherwise entitled to receive any benefit payable under the terms of the Plan following the death of a Participant. Such Beneficiary shall be the designated Beneficiary under Code Section 401(a)(9) and Treas. Reg. §1.401(a)(9)-4.

8. "CONTINGENT ANNUITANT" means the person designated as the Contingent Annuitant in accordance with the further terms of this Plan.

9. "NORMAL RETIREMENT DATE" of each Participant shall be the first day of the month coinciding with or next following his 60th birthday.

10. "EARLY RETIREMENT DATE" means the date that a Participant is entitled to a pension in accordance with Sections B or C of Article IV.

11. "POSTPONED RETIREMENT DATE" means the date that a Participant is entitled to a pension in accordance with Section D of Article IV.

12. "DISABILITY RETIREMENT DATE" means the date that a Participant is entitled to receive a disability benefit in accordance with Article VI.

13. "EARNINGS" – Prior to January 1, 1976, Earnings shall refer to basic earnings, overtime, holiday pay, and educational incentive pay. On and after January 1, 1976, Earnings shall refer to basic earnings and educational incentive pay. However, Earnings shall not include overtime pay, holiday pay or any other additional compensation, unless otherwise specified. Earnings with respect to any Plan Year shall not exceed $200,000, as adjusted for cost of living increases in accordance with Code Section 401(a)(17)(B). The cost of living adjustment in effect for a calendar year applies to Earnings for the determination period that begins with or within such calendar year. Notwithstanding the foregoing, the annual Earnings limit for determination periods beginning before January 1, 2002, shall be $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.

14. "FINAL AVERAGE EARNINGS" shall refer to the highest average Earnings received during any 36 consecutive months while the Participant is actively employed by the City and is covered under the Plan.

15. "TERMINATION OF EMPLOYMENT" means a severance of the relationship between the City and the Employee other than a severance on account of death, disability or retirement.

16. "CREDITED INTEREST" shall refer to interest added to a Participant's Pension Contributions at the rate of 2% per annum prior to January 1, 1977 and 3% per annum thereafter, compounded annually, for the number of completed months from the January 1 following the date such Participant's Pension Contribution was made to whichever of the following dates is earliest.

    (a) the date on which the Participant elects a refund of his Pension Contributions,

    (b) the date of a Participant's death,

    (c) the date that the Participant's pension commences, or to the date specified hereinafter; provided, however, that with respect to a Participant's Pension Contributions made prior to July 1, 1967, Credited Interest shall be computed on each Participant's Pension Contribution for the number of completed months from the July 1 following the date such Participant's Pension Contribution was received to January 1, 1968, and then interest will be compounded annually thereon from January 1, 1968 to the appropriate date specified above.

17. "CREDITED SERVICE" is as defined in Article III.

18. "INSURANCE COMPANY" means Connecticut General Life Insurance Company, or any other legal reserve life insurance company with whom the City may contact for the issuance of a group annuity contract or contracts for the purpose of providing the benefits specified and provided for in this Plan.

19. "ADJUSTMENT FACTOR" means the appropriate adjustment factor(s) which may be applicable to a Participant's retirement income in accordance with the further terms of the Plan.

With respect to each Participant whose retirement date occurs after August 1, 1983, the appropriate Adjustment Factors are the applicable gender-neutral Adjustment Factors as shown in the Tables attached hereto, subject to the following:

(a) With respect to participants whose retirement dates are other than the Normal Retirement Date, the Early Retirement Adjustment Factors as in effect in accordance with the terms of this Plan as constituted on August 1, 1983 shall continue to be of full force and effect after August 1, 1983.

(b) In no event will the pension payable to a Participant on his retirement date, as adjusted by the applicable Adjustment Factor(s) as in effect after August 1, 1983, be less than the amount of pension the Participant had accrued on August 1, 1983, as adjusted by the applicable Adjustment Factor(s) as in effect in accordance with the terms of this Plan as constituted on August 1, 1983.

20. "PARTICIPANT DISABILITY CONTRIBUTION" means an amount of Participant contributions which shall be deducted by the City from his Earnings and shall be used to offset the cost as determined by the Insurance Company to provide for the Non-Service-Connected Partial Disability Benefit of this Plan. The initial amount of Participant Disability Contribution shall be ½% of each Participant's Earnings; however, this amount may be changed on any January 1 that the Insurance Company determines that such change is necessary to maintain proper funding.

21. "VALUE" means the present value of a Participant's retirement income based upon the male annuity factors in the Pension Benefit Guaranty Corporations' Prospective Actuarial and Mortality Tables, Publication Number PBGC 509, as in effect at the beginning of the Plan Year in which the Value is determined. In no event shall the interest rate used be greater than the Pension Benefit Guaranty Corporation's immediate annuity interest rate in effect at the beginning of the Plan Year in which the Value is determined.

22. "DISTRIBUTION CALENDAR YEAR" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first Distribution Calendar Year is the calendar year immediately preceding the calendar year which contains the Participant's Required Beginning Date. For distributions beginning after the Participant's death, the first Distribution Calendar Year is the calendar year in which distributions are required to begin pursuant to Section F.2(b) of Article IX..

23. "LIFE EXPECTANCY" means life expectancy as computed by use of the Single Life Table in Treas. Reg. §1.401(a)(9)-9, as amended from time to time.

24. "REQUIRED BEGINNING DATE" means April 1st following the later of (1) the calendar year in which the Participant attains age 70½ or (2) the calendar year in which such Participant terminates employment with the City.

25. "ANNUAL ADDITIONS" means the sum of the following items credited to the Participant under this Plan and any other tax qualified retirement plan sponsored by the City for a Limitation Year and treated as a defined contribution plan for purposes of Code Section 415: City contributions that are separately allocated to the Participant's credit in any defined contribution plan; forfeitures; participant contributions (other than contributions that are picked up by the City as described in Code Section 414(h)(2)); and amounts credited after March 31, 1984 to a Participant's individual medical account (within the meaning of Code Section 415(l)).

26. "LIMITATION YEAR" means the calendar year.

27. "REMUNERATION" means a participant's wages as defined in Code Section 3401(a) and all other payments of compensation to the Participant from the City for which the City is required to furnish the Participant a written statement under Code Sections 6041(d) and 6051(a)(3). Remuneration shall be determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed. Remuneration does not include any employee contributions picked up by the City as described in Code Section 414(h)(2). Remuneration shall include any amount which would otherwise be deemed Remuneration under this definition but for the fact that it is subject to a salary reduction agreement under any plan described in Code Section 457(b), 132(f) or 125. Remuneration with respect to any Limitation Year shall in no event exceed the dollar limit specified in Code Section 401(a)(17) (as adjusted from time to time by the Secretary of the Treasury). The cost of living adjustment in effect for a calendar year applies to Remuneration for the Limitation Year that begins with or within such calendar year.

28. "CODE" or "INTERNAL REVENUE CODE" means the Internal Revenue Code of 1986, as amended from time to time. Reference to a Code or Internal Revenue Code section shall include (i) such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section and (ii) all rulings, regulations, notices, announcements, and other pronouncements issued by the U.S. Treasury Department, the Internal Revenue Service, and any court of competent jurisdiction that relate to such section and that are applicable to governmental plans.

29. Unless the context otherwise requires, the singular number shall include the plural and the masculine gender shall include the feminine.

ARTICLE II

PARTICIPATION AND FUNDING

Section A – Participation

1. Each Employee who was a Participant on December 31, 2008, will continue to be a Participant under this Plan on January 1, 2009, provided that he did not elect a transfer of the assets attributable to his coverage under this Plan in accordance with Section D of this Article II.

2. Each Participant who continues to be covered hereunder shall continue to contribute 7½% of his Earnings received during each month thereafter in accordance with Section B, below.

3. No other Employee shall become a Participant on or after February 13, 1979.

Section B – Funding

1. Participant's Pension Contributions shall be deducted by the City from his Earnings and shall be used to help fund for any retirement benefits or death benefits that become payable hereunder.

   Each Participant shall also be required to contribute Participant Disability Contributions in accordance with Section D of Article VI and Definition 20 of Article I.

   The Participant's obligation to make said contributions shall continue to the earliest of the date he completes 30 years of Credited Service, his retirement date or date of Termination of Employment.

   A rehired Employee shall be considered to be a new employee; provided, however, that an employee who terminates his employment with the City and who is rehired within 24 months of his termination date, may obtain retirement credit for his prior service by repaying the amount of his Participant's Pension Contributions with Credited Interest refunded to him on or after his Termination of Employment plus 6% interest per annum on this amount from the date such refund was made until the date of repayment. The date of repayment of the refunded Participant's Pension Contributions with Credited Interest must be completed within 24 months after reemployment, provided, however, that with respect to any Participant who was reemployed prior to July 1, 1975 and who had not previously elected to repay his Participant's Pension Contributions with Credited Interest will have until April 1, 1978 to elect to repay such previously refunded contributions with interest in accordance with this paragraph 3. This reinstated Participant must complete a new payroll deductions order and contribute the same as a Participant in paragraph 2 of Section A, above.

2. The City will make the remainder of the contributions necessary to provide the benefits hereunder and to pay the cost of administering the Plan.

3. Forfeitures resulting from the Termination of Employment shall be used as soon as possible to reduce the City's cost of the Plan.

Section C – Establishment of Pension Fund

1. All contributions made to the fund for the benefits to be provided under this Plan shall be paid to the Insurance Company for application under the group annuity contract or contracts. The assets of said contract or contracts shall constitute the Pension Fund.

Section D – Transfer of Assets

1. Each Employee who was a Participant on February 12, 1979 may elect to have the assets attributable to his coverage under this Plan as of such date transferred from this Plan to the City of Alexandria Retirement Income Plan for Firefighters and Police Officers. If a Participant makes such an election, no benefits will be payable to him, his Spouse, Contingent Annuitant or Beneficiary as a result of his coverage under this Plan. All benefits payable with respect to such a Participant will be determined in accordance with the terms of the City of Alexandria Retirement Income Plan for Firefighters and Police Officers.

2. The amount of assets to be transferred in accordance with paragraph 1 above will be equal to:

   (a) the actuarial equivalent of the Participant's annual pension accrued under this Plan as of January 1, 1978 (but not less than the aggregate of the Participant's Pension Contributions made prior to January 1, 1978 with Credited Interest as of such date), plus

   (b) 20% of the Participant's basic earnings (excluding overtime, holiday pay, educational and incentive pay) received during the period from January 1, 1978 through May 30, 1979, plus

   (c) if the Participant so elects, the aggregate of his Participant's Pension Contributions made during the period from January 1, 1978 through May 30, 1979 together with Credited Interest to May 30, 1979 on the amount of such Participant's Pension Contributions made during calendar year 1978. Participant's Pension Contributions transferred to the City of Alexandria Retirement Income Plan Firefighters and Police Officers will be treated as Voluntary Employee Contributions under the terms of that Plan.

3. In lieu of an election in accordance with paragraph 2(c) above, a Participant who elects to have assets transferred in accordance with this Section D of Article II may elect to receive a refund of the amount of his Participant's Pension Contributions with Credited Interest determined in accordance with paragraph 2(c) above.

4. An election under this Section D of Article II shall be made in writing on forms provided by the City and returned to the Personnel Department of the City no later than May 15, 1979.

5. Each Employee who was a Participant on May 24, 1983 may elect within three weeks of receiving actuarial data from the Connecticut General Life Insurance Company providing him with information as to the amount that may be transferred from this Plan (but in any event, prior to September 1, 1983) to have the assets attributable to his coverage under this Plan as defined herein transferred from this Plan to the City of Alexandria Retirement

Income Plan for Firefighters and Police Officers and, to the extent set forth herein, to the City of Alexandria Firefighters and Police Officers Disability Income Plan. Such transfer shall be subject to the provisions of paragraphs 5 through 9 of this Article II, Section D. If a Participant makes such an election and assets attributable to his coverage under this Plan as defined herein are transferred from this Plan, no benefits will be payable to him, his Spouse, Contingent Annuitant or Beneficiary as a result of his coverage under this Plan. All benefits payable with respect to such a Participant will be determined in accordance with the terms of the City of Alexandria Retirement Income Plan for Firefighters and Police Officers and the City of Alexandria Firefighters and Police Officers Disability Income Plan.

6. The amount of assets to be transferred in accordance with paragraph 5 above to the City of Alexandria Retirement Income Plan for Firefighters and Police Officers (and, in the case of subparagraph (d) hereof, the City of Alexandria Firefighters and Police Officers Disability Income Plan) will be equal to:

(a) the actuarial equivalent of the Participant's annual pension accrued under this Plan as of January 1, 1978 and calculated in the same manner as prior transfers as of January 1, 1978 (but not less than the aggregate of the Participant's Pension Contributions made prior to January 1, 1978 with Credited Interest as of such date and with interest equal to that sum which would have been credited by the Insurance Company had such amount been transferred to the City of Alexandria Retirement Income Plan for Firefighters and Police Officers on June 1, 1979), plus

(b) 20% of the Participant's basic earnings (excluding overtime, holiday pay, educational and incentive pay) received during the period from January 1, 1978 through the date of transfer, including interest equal to that sum which would have been credited by the Insurance Company had such amount been transferred to the City of Alexandria Retirement Income Plan for Firefighters and Police Officers on June 1, 1979, plus

(c) if the Participant so elects, the aggregate of his

(i) Participant's Pension Contributions made during the period from January 1, 1978 through the date of transfer; and

(ii) Participant's Disability Contributions made during the period from January 1, 1978 through May 31, 1979

together with interest equal to that sum which would have been credited by the Insurance Company had such amounts been transferred to the City of Alexandria Retirement Income Plan for Firefighters and Police Officers on June 1, 1979 to the date of transfer. Participant's Pension Contributions and Disability Contributions transferred to the City of Alexandria Retirement Income Plan for Firefighters and Police Officers will be treated as Voluntary Employee Contributions under the terms of that plan.

(d) Participant's Disability Contributions made during the period from June 1, 1979, through the date of transfer, without interest.

7. In lieu of an election in accordance with paragraph 6(c) above, a Participant who elects to have assets transferred in accordance with this Section D of Article II may elect to receive a refund of the amount of his Participant's Pension and Disability Contributions with interest determined in accordance with paragraph 6(c) above.

8. An election under this Section D of Article II shall be made in writing on forms provided by the City and returned to the Personnel Department of the City no later than September 1, 1983.

9. In the event that the amount to be transferred to the City of Alexandria Retirement Income Plan for Firefighters and Police Officers pursuant to paragraph 6(b) exceeds $200,000, elections to transfer will be accepted, but transfers of funds will be effectuated in 1983 only with respect to those employees with the greatest number of years of Credited Service, the transfer of whom would require an aggregate amount determined under paragraph 6(b) not to exceed $200,000. All other Participants who had submitted an election to transfer on or before September 1, 1983 shall have transfers of their assets under paragraph 6(b) effectuated in 1984 or thereafter, not to exceed $200,000 per year. Interest calculations on assets transferred will be to the date of transfer as to any deferred asset transfers. Effective as of the date of transfer, for those Participants on whose behalf transfers of funds have been effectuated, all benefits shall be determined solely under the City of Alexandria Retirement Income Plan for Firefighters and Police Officers or the City of Alexandria Firefighters and Police Officers Disability Income Plan, as appropriate. No benefits for such Participants shall be determined pursuant to the terms of this Plan. If there is a delay in asset transfers for a Participant because of the $200,000 per year limitation on the amount to be transferred pursuant to paragraph 6(b), such Participant shall continue to make Pension Contributions and Disability Contributions to this Plan, and his benefits shall be determined solely pursuant to the terms of this Plan until the effective date of the transfer of assets attributable to his coverage under this Plan.

10. Any Employee who is a Participant in this Plan as of March 11, 1986 may advise the City no later than April 11, 1986 that he desires to be considered for transfer from this Plan to the City of Alexandria Retirement Income Plan for Firefighters and Police Officers (the 'New Pension Plan'). The City, in its discretion, may either grant or reject all such requests. If the City proposes to grant all such requests, it shall promptly request Connecticut General Life Insurance Company ('CG') to make calculations in the same manner as was done in 1979 and 1983, as more particularly set forth in paragraphs 6 and 7 of Article II, Section D, as set forth in the first change in the amendments to this Plan effective May 24, 1983, as determined by CG, and advise the City of such calculations and the proposed transfer amounts. If the City then continues to approve all such requests, in its sole discretion, it shall then advise all such Participants and furnish each such Participant with CG calculations. Each such Participant shall then have a period of three weeks to notify the City in writing of his election to have the assets thus calculated as being attributable to his coverage under this Plan transferred to the New Pension Plan. The City may effectuate such transfer from existing funds in the Plan or from new City contributions or a combination, in its sole discretion. If a Participant makes such election to transfer, and assets attributable to his coverage under this Plan as defined herein are transferred from this Plan, no benefits will be payable to him, his Spouse, Contingent Annuitant or Beneficiary as a result of his coverage under this Plan.

ARTICLE III

CREDITED SERVICE

Section A. Credited Service

1. The term "Credited Service" means continuous employment with the City while classified as an Employee, and, for the purpose of determining eligibility for benefits hereunder, shall include the periods of time specified in paragraphs 2, 3 and 4 below; however for the purpose of determining the amount of benefits hereunder, Credited Service shall not include the period of time specified in paragraphs 3 and 4 below.

2. Absence from employment with the City on account of active duty in the Armed Forces will be counted as continuous employment with the City in accordance with the City's Administrative Regulations.

3. Absence from employment with the City on account of authorized leave of absence will be counted as continuous employment with the City in accordance with the City's Administrative Regulations.

4. The period of time while he is disabled in accordance with Article VI.

In determining Credited Service all Participants under similar circumstances will be treated alike.

Notwithstanding any provision of this Plan to the contrary, effective on and after December 12, 1994, contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414(u).

ARTICLE IV

BENEFITS UPON RETIREMENT

Section A. Normal Retirement

1. Each Participant who retires on his Normal Retirement Date on and after January 1, 1984 will be entitled to an annual pension commencing on his Normal Retirement Date equal to 2½% of his Final Average Earnings multiplied by his years of Credited Service up to a maximum of 30 years. In determining the Participant's annual pension, Credited Service shall be computed to the nearest 1/12 year.

2. Each Participant who was receiving a disability benefit in accordance with Article VI immediately prior to his Normal Retirement Date shall be entitled to an annual pension equal to his disability benefit payable immediately prior to his Normal Retirement Date without regard to any reduction in accordance with paragraph 5, Section F of Article VI, if applicable. However, each Participant who was receiving a partial disability benefit in accordance with Article VI immediately prior to his Normal Retirement Date and whose Disability Retirement Date commenced on and after May 24, 1983 shall be entitled only to an annual pension equal to his accrued retirement benefit immediately prior to his Disability Retirement Date, determined in accordance with paragraph 1, Section A of Article IV; provided that the benefit payable at such Participant's Normal Retirement Date shall not be less than 50% of the Participant's Final Average Earnings.

Section B. Early Retirement – Voluntary

1. Unreduced

   Each Participant who has attained his 50th birthday and completed at least 20 years of Credited Service or who has attained his 56th birthday and completed at least 10 years of Credited Service may elect to receive an early pension, commencing on his Early Retirement Date, by filing a written notice to the City. Such Early Retirement Date shall be the first day of any month between the date such election is made and the Participant's Normal Retirement Date. The annual pension, commencing on a Participant's Early Retirement Date, shall be determined in accordance with paragraph 1 Section A of this Article IV.

2. Reduced

   Each Participant who has attained his 50th birthday and completed at least 10 years of Credited Service may elect to receive an early pension commencing on his Early Retirement Date by filing notice with the City. Such Early Retirement Date shall be the first date of any month between the date such election is made and the Participant's Normal Retirement Date. The annual pension, commencing on a Participant's Early Retirement Date shall be determined in accordance with paragraph 1, Section A of this Article IV based on the Participant's Credited Service completed prior to his Early Retirement Date computed to the nearest 1/12 of year, with the annual amount so determined adjusted by multiplying by the appropriate early retirement Adjustment Factor in Table B-1.

Section C. Early Retirement – Involuntary

1. The City may require early retirement in any case with respect to a Participant who has attained his 50th birthday and completed at least 20 years of Credited Service where it is deemed necessary due to lack of work or the inability of the Participant to perform his occupation in a satisfactory manner of efficiency, provided that the City shall exercise this right to retire a Participant early in a nondiscriminatory manner. The Early Retirement Date of such a Participant will be the first of the month coinciding with or next following his retirement. The annual pension, commencing on such Early Retirement Date, shall be determined in accordance with paragraph 1, Section A of this Article IV.

Section D. Postponed Retirement

A Participant may continue to be employed after his Normal Retirement Date. The Participant's Postponed Retirement Date shall be the first day of the month coinciding with or next following his date of actual retirement. The Participant's annual pension, commencing on his Postponed Retirement Date shall be calculated in accordance with Section A of this Article IV with Service being credited to his actual retirement date and using his Earnings in effect at his retirement date.

Section E. Minimum Annual Pension

In no event will the annual pension payable to a Participant under this Article be less than the annual pension that can be provided by applying the aggregate of the Participant's Pension Contributions with Credited Interest to the appropriate factor contained in Table B-2 used to provide the benefits specified and attached to this Plan.

Section F. Cost-of-Living Benefit

1. For the purposes of this Section, the Terms "Consumer Price Index," "Current Pension," "Base Pension," and "Base Index," shall have the following meanings:

   (a) Consumer Price Index means the Consumer Price Index (U.S. All Items Index) published by the United States Department of Labor, Bureau of Labor Statistics.

   (b) The Current Pension of any Participant, Contingent Annuitant, Spouse or Beneficiary shall mean the annual pension which is payable on the date specified on the form of pension which is applicable to said individual; except that with respect to a Participant whose annual pension is payable under the Social Security option, the amount of Current Pension shall mean the amount of annual pension which will be payable to the Participant after his Social Security Commencement Date if he is then living.

   (c) Base Pension means the annual pension which becomes payable to a Participant on his Early Retirement Date or his Normal Retirement Date or Postponed Retirement Date, whichever is applicable. With respect to a Participant whose annual pension commences on his Normal Retirement Date in accordance with paragraph 2, Section A, Article IV, the Base Pension shall be equal to the Current Disability Benefit payable to such Participant during the month immediately preceding his Normal Retirement Date. The amount of the Base Pension shall be redetermined on the following later dates, if applicable:

(i) the date an optional form of pension becomes effective with respect to such annual pension; or

(ii) the date a reduced amount of annual pension become payable to the Participant's Contingent Annuitant as a result of the Participant's death,

and shall be equal to the annual pension then payable. If an annual pension is payable to a Participant under the Social Security Option, the term Base Pension shall mean the annual pension, if any, which will continue to be payable after the Participant's Social Security Commencement Date if he is then living.

(d) Current Disability Benefit means the annual amount of disability benefit which is payable on the date specified to said Participant in (e), below.

(e) Base Disability Benefit means the annual amount of disability benefit initially payable in accordance with Article IV, as applicable below:

(i) For a Participant whose Disability Retirement Date commenced prior to May 24, 1983 in accordance with Section D of Article VI such Participant's Base Disability Benefit means the amount of disability benefit payable to the Participant as of the January 1 immediately following his 50th birthday.

(ii) For a Participant whose Disability Retirement Date commenced on and after May 24, 1983 in accordance with Sections C and D of Article VI, such Participant's Base Disability Benefit means the amount of disability benefit payable to the Participant as of January 1 immediately following his 60th birthday.

(f) With respect to an amount of Base Pension or Base Disability Benefit, the term Base Index shall mean the Consumer Price Index for the month of January in the calendar year in which such Base Pension or Base Disability Benefit became payable or January 1, 1970, whichever is later. (Notwithstanding anything herein to the contrary, for Participants whose Disability Retirement Dates commenced prior to May 24, 1983, in accordance with Section D of Article VI, the Base Index shall be determined as of January 1 immediately following his 50th birthday. For Participants whose Disability Retirement Dates commenced on and after May 24, 1983 in accordance with Sections C and D of Article VI, the Base Index shall be determined as of January 1 immediately following his 60th birthday.) If the Bureau of Labor Statistics subsequently adjusts the basis on which the Consumer Price Index is determined, the Base Index shall be adjusted as of the next following January by multiplying it by the ratio that the Consumer Price Index for said January on the new basis bears to the Consumer Price Index for said January on the prior basis.

(g) Current Index means the Consumer Price Index for January of the current calendar year.

2. On May 1, 1971 and on May 1 thereafter, there shall be determined a cost of living benefit for each Participant, Contingent Annuitant, Spouse and Beneficiary to whom an annual pension, or a disability benefit which is determined in accordance with Sections

A, B, C or D of Article VI is then payable. (Notwithstanding anything herein to the contrary, for Participants whose Disability Retirement Dates commenced prior to May 24, 1983, in accordance with Section D of Article VI, the Base Index shall be determined as of January 1 immediately following his 50th birthday. For Participants whose Disability Retirement Dates commenced on and after May 24, 1983 in accordance with Sections C and D of Article VI, the Base Index shall be determined as of January 1 immediately following his 60th birthday.) The cost of living benefit on any May 1 for a Participant, Contingent Annuitant, or Beneficiary shall be equal to the excess of (a) over (b) where:

(a) is equal to his Base Pension or Base Disability Benefit, whichever is applicable, multiplied by the quotient obtained by dividing the Current Index by the Base Index applicable to such Base Pension or Base Disability Benefit; and

(b) is his Current Pension or Current Disability Benefit, whichever is applicable.

Each such payee shall be eligible for an additional amount of annual pension or disability benefit equal to the Cost of Living Benefit so determined, if any, provided that such additional annual pension may be cancelled or such additional disability benefit reduced in accordance with the terms of paragraph 3, below and provided further that such cost of living benefit shall not exceed 3% of his Current Pension or Current Disability Benefit whichever is applicable, prior to the determination of the cost of living benefit nor shall it increase his Current Pension or Current Disability Benefit to more than 200% of his Base Pension.

3. If on any May 1, the Current Pension of a Participant, Contingent Annuitant, Spouse or Beneficiary or the Current Disability Benefit exceeds the amount described in subparagraph (a) of paragraph 2, above, for him as a result of a decline in the Consumer Price Index, a portion of the annual pension payable to such payee equal to the excess shall be cancelled or a portion of the disability benefit reduced; provided, however, that the amount cancelled or reduced shall not exceed 3% of his Current Pension or Current Disability Benefit prior to such cancellation nor shall it reduce his Current Pension or Current Disability Benefit to less than his Base Pension.

4. Notwithstanding anything herein to the contrary, the cost of living benefit shall be applicable only to those Participants whose annual pension is determined in accordance with Article IV, V, IX or whose disability benefits are determined in accordance with Sections A, B, C or D of Article VI.

5. Each Participant who was receiving an annual pension or disability benefit prior to March 21, 1967, who is still receiving such type of payment as of January 1, 1982, will be eligible for a one-time Cost-of-Living Benefit increase as of such latter date. This Benefit increase will be payable with each benefit payment made to such Participant on and after January 1, 1982, and shall remain payable unless the City deems the increase should be eliminated due to a sufficient decline in the Consumer Price Index. This one-time increase will be determined by the following formula:

Participant's Base Pension (without regard to any Social Security Yearly Amount reduction) multiplied by 75% of the ratio the cost-of-living benefit being paid immediately prior to January 1, 1982 bears to the Participant's Base Pension; such resulting amount then reduced by the cost-of-living benefit payable.

ARTICLE V

TERMINATION OF EMPLOYMENT

Section A. Refund of Participant's Pension and Disability Contributions

1. A Participant may elect, on or after his date of Termination of Employment, to receive a cash refund equal to his Participant's Pension and Disability Contributions made under the Plan together with Credited Interest thereon to the date he makes such an election. Such cash refund shall be in lieu of all other rights and benefits of the Participant under the Plan.

Section B. Retirement Benefit

1. If a Participant does not make the election of a cash refund in accordance with Section A, above, a Participant will be entitled to receive an annual pension commencing on his 56th birthday. The amount of such Participant's pension shall be determined by (a) or, if applicable, (b) below:

   (a) If the Participant has less than 10 years of Credited Service his annual pension shall be determined by applying his Participant's Pension Contributions together with Credited Interest to an appropriate factor contained in Table B-2 attached to this Plan.

   (b) If the Participant has 10 or more years of Credited Service he will be 100% vested in his accrued retirement benefit. Such benefit will be determined in accordance with paragraph 1 Section A of Article IV.

   A Participant who has 10 or more years of Credited Service may elect to have his pension commence prior to age 56 but not earlier than age 50. If a Participant elects to receive his pension prior to age 56 he shall receive an amount of pension determined in accordance with subparagraph (b) above, adjusted by multiplying by the appropriate early retirement Adjustment Factor in Table B-1.

2. Any Participant who is on leave of absence prior to January 1, 1974 must return to active service with the City of Alexandria for a period of at least 12 months to become eligible to vest in his accrued retirement benefit.

Section C. Repayment of Refund

1. A Participant, who is reemployed with 24 months of his termination of employment, whose accrued retirement benefit was forfeited in accordance with the preceding Section may repay the Plan within 24 months of his re-employment an amount equal to the cash refund he received plus 6% interest per annum on this amount from the date the refund was made until the date of repayment. Upon repayment of this amount, the Participant shall have his prior accrued retirement benefit restored to him.

ARTICLE VI

DISABILITY BENEFITS

Section A. Eligibility for a Disability Benefit on Account of Service-Connected Total and Permanent Disability

1. A Participant will be eligible for a disability benefit commencing on the first day of the month when he meets all of the following conditions:

   (a) he has suffered an illness or injury which prevents him from performing the duties of all jobs for which he is otherwise qualified or any job for which he could become qualified by rehabilitation or retraining, as determined by the City on the basis of a medical examination performed by an independent diagnostic clinic/physician(s) selected by the City, and

   (b) he has been so disabled for a period of six consecutive months, and

   (c) his disability has been ruled by the Virginia State Industrial Commission as total and permanent and is compensable as Workmens' Compensation, and the Participant must be receiving Social Security disability benefits.

Section B. Eligibility for a Disability Benefit on Account of Non-Service-Connected Total and Permanent Disability

1. A Participant will be eligible for a disability benefit commencing on the first day of the month when he meets all of the following conditions:

   (a) he has suffered an illness or injury which prevents him from performing the duties of all jobs for which he is otherwise qualified or any job for which he could become qualified through rehabilitation or retraining, as determined by the City on the basis of a medical examination performed by an independent diagnostic clinic/physician(s) selected by the City, and

   (b) he has been so disabled for a period of six consecutive months,

   (c) the Participant must be receiving Social Security disability benefits.

Section C. Eligibility for a Disability Benefit on Account of Service-Connected Partial Disability

1. A Participant will become eligible for a disability benefit as a result of a service-connected partial disability commencing on the first day of the month when he meets all of the following conditions:

   (a) he has suffered an illness or injury which prevents him from performing the duties he was assigned by the City at the time of suffering such illness or injury, as determined by the City on the basis of a medical examination performed by an independent diagnostic clinic/physician(s) selected by the City,

   (b) his disability has been ruled by the Virginia State Industrial Commission as partial and is compensable as Workmen's Compensation, and

(c) his disability is certified by the City as a service-connected partial disability, and

(d) the City determines that such disability is not reasonably correctable nor subject to rehabilitation, the cost of which will be borne by the City.

Section D. Eligibility for a Disability Benefit on Account of Non-Service-Connected Partial Disability

1. A Participant will become eligible for a disability benefit as a result of a non-service-connected partial disability commencing on the first day of the month when he meets all of the following conditions:

(a) he has suffered an illness or injury which prevents him from performing the duties of the job he was assigned by the City at the time of suffering such illness or injury, as determined by the City on the basis of a medical examination performed by an independent diagnostic clinic/physician selected by the City,

(b) he has been a Participant under this Plan (including any participation under the Prior Plan) for at least five years at the commencement of his partial disability, and

(c) his disability is certified by the City as a non-service-connected partial disability,

(d) the City determines that such disability is not reasonably correctable nor subject to rehabilitation, the cost of which will be borne by the City, and

(e) he is contributing Participant Disability Contributions.

Section E. Certain Excluded Disabilities

1. Notwithstanding anything in this Plan to the contrary, a Participant shall not become eligible for a disability benefit under this Article VI if this total and permanent disability or his partial disability results from, or consists of addiction to narcotics or conviction of participation in a felonious act.

Section F. Amount of Disability Benefits

1. The annual amount of disability benefit payable to a Participant in accordance with Section A, above, will be equal to the greater of 70% of the Participant's final Average Earnings or his accrued benefit as determined in Sections A and E of Article IV.

2. The annual amount of disability benefit payable to a Participant in accordance with Section B, above, will be equal to the greater of 66-2/3% of the Participant's Final Average Earnings or his accrued benefit as determined in Sections A and E of Article IV.

3. The annual amount of disability benefit payable to a Participant in accordance with Section C, above, will be equal to the greater of 66-2/3% of the Participant's Final Average Earnings or his accrued benefit as determined in Sections A and E of Article IV, reduced by the annual amount of periodic payments payable under the Workmen's Compensation Act of the Commonwealth of Virginia. Such reduction shall be applied on a monthly basis in an amount equal to 1/12 of the yearly amount so determined.

4. The annual amount of disability benefit payable to a Participant in accordance with Section D, above, will be equal to the greater of 50% of the Participant's Final Average Earnings or his accrued benefit as determined in Sections A and E of Article IV.

Such reduction shall be applied on a monthly basis in an amount equal to 1/12 of the yearly amount so determined.

Section G. Gainful Employment

1. Effective For Disability Retirement Dates On or After May 24, 1983 – Notwithstanding any other provision of this Plan, any Participant receiving benefits or eligible to receive benefits under this Plan as a result of a disability shall be required to accept employment in any position offered by an employer for which the Participant is qualified or for which the City is willing to assume the costs for the retraining and rehabilitation necessary to enable the Participant to qualify, if the City, in its sole judgment, determines that such employment is appropriate under the circumstances and if the locus of employment is suitable to the Participant's residence.

The provisions of the preceding paragraph shall be subject to the following conditions:

(a) Prior to any action to provide such alternative employment,

(i) the Personnel Department shall present a detailed job description to an independent physician selected by the City (who shall be the treating physician if the disability was covered by the Workmen's Compensation Act) for review and a determination that the Participant is medically able to undertake such employment;

(ii) the Personnel Department shall notify the Participant of the particulars of the alternative employment (including the job location and a copy of the job description) and a copy of the physician's determination that the Participant is able to undertake the offered employment;

(iii) if the Participant believes he has just cause to refuse to accept such alternate employment, he shall notify the Personnel Department in writing of such reason or reasons for refusal, no later than ten (10) days from receipt of the notification required by the preceding subparagraph;

(iv) should the Personnel Director, after reviewing the Participant's written statement, still believe the alternative employment is appropriate and suitable, he shall respond in writing to the Participant, stating the reasons supporting the determination of appropriateness and suitability, particularly responding to the Participant's written statement of reasons;

(v) should the Participant continue to refuse to accept the alternate employment, the issue shall be determined in accordance with the procedures of paragraph (b)(i) or (ii).

(b) (i) In the event the Participant who refuses employment is, in addition, entitled to receive benefits under the Workmen's Compensation Act, the decision as to whether his refusal is justifiable shall be presented to the

Industrial Commission of Virginia for determination under the provisions of Section 65.1-63, Code of Virginia, and the decision of the Industrial Commission shall also be binding on the question of termination of disability retirement benefits, as set forth in Article VI, Section H, Paragraphs 2(e) and 3(d). If the Industrial Commission should fail or refuse to act on this question, then the determination shall be made pursuant to sub-paragraph (ii) below.

(ii) If a Participant entitled to disability benefits under this Plan is not entitled to receive benefits under the Workmen's Compensation Act of the Commonwealth of Virginia, the decision as to whether his refusal of alternative employment is justifiable shall be presented to the City Attorney who shall act as an impartial arbitrator, based upon the entire record, under the standards utilized by the Industrial Commission under the provisions of Section 65.1-63, Code of Virginia. The City Attorney shall issue a written opinion specifying his reasoning and precedential support, if any, for his decision. The City Attorney may request either the Participant or the Personnel Director, or both, to present additional information prior to rendering his decision.

Section H. Commencement and Cessation of Disability Benefit.

1. Disability benefits will be paid in monthly installments equal to 1/12 of the annual amount commencing on the Participant's Disability Retirement Date.

2. With respect to a Participant who is permanently and totally disabled in accordance with Section A or B of this Article, disability benefits will cease on the first day of the month coinciding with or next following the earliest of the dates specified below:

   (b) the date the City determines, on the basis of a medical examination by an independent diagnostic clinic/physician(s) selected by the City, that the Participant is no longer permanently and totally disabled,

   (c) the date the Participant refuses to undergo medical examination requested by the City, provided that the Participant may not be required to undergo such medical examination more often than twice a year,

   (d) the Participant's Normal Retirement Date (see Article IV),

   (e) the date that the Participant's disability payments under Social Security cease or

   (f) the date the Participant refuses any employment which the Participant is required to accept pursuant to Article VI. G.3 of this Plan,

   (g) the date the Participant returns to regular occupation or employment.

3. With respect to a Participant who is partially disabled in accordance with Sections C or D of this Article, disability benefits will cease on the first day of the month coinciding with or next following the earliest of the dates specified below:

(a) the date the City determines, on the basis of a medical examination by an independent diagnostic clinic/physician(s) selected by the City, that the Participant is no longer partially disabled.

(b) the date the Participant refuses to undergo a medical examination requested by the City, provided the Participant may not be required to undergo such a medial examination more often than twice a year,

(c) the date the Participant refuses any employment which the Participant is required to accept pursuant to Article VI.G.3 of this Plan, or

(d) the Participant's Normal Retirement Date (see Article IV).

Section I. Cash Settlement Option

1. The Participant may at the option of the City, receive a cash settlement in an amount agreed upon by the Participant and the Employer prior to his Disability Requirement Date in lieu of the disability benefit which he would otherwise be entitled to, provided such disability is due to a partial or total service-connected disability. Any such cash settlement shall not be in excess of the Value of the Participant's disability benefit on his Retirement Date, as determined in accordance with Definition 21, Article I assuming the normal form of pension described in Article IX is effective.

ARTICLE VII

SPOUSE BENEFITS

Section A. Eligibility

Upon the death of a Participant, his Spouse will receive a Spouse Benefit as described below if the following conditions are met when the Participant dies:

(A) The Participant had a Spouse to whom the Participant had been married at least one full year prior to his death.

(B) The Participant's Termination of Employment Date, Early Retirement Date, Disability Retirement Date or Normal Retirement Date had not yet occurred.

(C) One of the following must be applicable:

(1) The Participant dies in the line of duty, or

(2) The Participant has accrued at least 5 years of Service.

Section B. Amount of Spouse Benefit

If benefit payments become payable to a Spouse in accordance with this Section, the yearly amount will be equal to the greater of (A) or (B):

(A) 50% of the pension that the deceased Participant had accrued to his date of death reduced by any Social Security benefits that become payable to his Spouse, provided, however, that such Social Security reduction shall be limited solely to the Social Security widow's benefit – no deduction will be made for any burial allowance or for any benefits received for dependent children. Any change in the Social Security status of a Spouse receiving such widow's benefit will cause a redetermination of the Spouse's benefit.

(B) $100 per month

Section C. Payment of Spouse Benefit

Spouse Benefit payments will be payable monthly with each payment equivalent to 1/12 of the yearly amount. The initial monthly payment will be made as of the first of the month next following the Participant's death, with subsequent monthly payments being made as of the first day of each month thereafter until the earlier of:

(1) the Spouse's death,

(2) the Spouse's remarriage.

In the event of remarriage there will be a lump sum payment made to the Spouse equal to 12 monthly payments, less any payments made after the date of remarriage, and no further payments will be made.

When the final Spouse Benefit payment has been made, an amount, equal to the excess, if any, of the Participant's Pension Contributions with Credited Interest thereon to his date of death over, the sum of the Spouse Benefit payments plus any lump sum payments made under this Section C, will become payable to the Spouse if still living, or if not, to the Participant's Beneficiary.

No such refund, however, will be paid if the Participant had previously elected a refund of his Participant's Pension Contributions with Credited Interest.

ARTICLE VIII

DEATH BENEFITS

Section A. Death Benefits Prior to Retirement

1. Upon the death of a Participant prior to the date his annuity pension commences, a death benefit will be payable in accordance with (A) or (B) below whichever applies,

   (A) if a married Participant's Spouse was eligible to receive a Spouse Benefit in accordance with Article VII then the death benefit will be paid in accordance with that Article,

   (B) if a Participant is not eligible for a Death Benefit in accordance with (A) above then the Participant's Beneficiary will become eligible to receive a death benefit, in a lump sum, in an amount equal to the Participant's Pension and Disability Contributions together with Credited Interest thereon to the date of the Participant's death,

   provided, however, that in the case of a Participant who, as of the date of his death, was receiving a disability benefit, had a Contingent Annuitant option in effect in accordance with Section B of Article IX and whose death occurs prior to his Normal Retirement Date, any death benefit payable will be made in accordance with the terms of such option.

2. No such death benefit, however, will be payable if the Participant dies on or after his Normal Retirement Date and before his annual pension commences if either the Contingent Annuitant option or the Ten Year Certain and Life Annuity option is in effect on the date of death. In such event, any death benefit will be determined in accordance with either Section B or Section C of Article IX, whichever is applicable.

Section B. Death Benefits After Retirement

1. Upon the death of the Participant (or, if the Contingent Annuitant option set forth in Section B of Article IX is in effect, upon the death of the survivor of the Participant and his Contingent Annuitant) on or after the date as of which the Participant's annual pension commences, a death benefit will be paid to the Participant's Beneficiary, in a lump sum, in an amount equal to the excess, if any, of the Participant's Pension and Disability Contributions together with Credited Interest thereon to the date the Participant's annual pension commenced over the sum of the pension payments that have become payable.

2. In no event will the death benefit described in paragraph 1, above, become payable if the Ten Year Certain and Life Annuity option set forth in Section C of Article IX is in effect on the date of the Participant's death. In such event, any death benefit will be determined in accordance with Section C of Article IX.

Section C. Beneficiary

1. The Participant will designate a Beneficiary and may change from time to time his designation of Beneficiary by filing with the City written notice thereof on a form

satisfactory to the City. Such designation or change of designation of Beneficiary shall take effect as of the date of execution of such notice thereof whether or not the Participant be living at the time of such filing but without prejudice to this Plan on account of any payments made hereunder before receipt of such notice by the City.

2. In case of death any benefits hereunder payable to a Beneficiary will be paid to the payee most recently designated by the Participant as Beneficiary provided the name of the Beneficiary has been filed with the City. If no name has been filed or if the named Beneficiary does not survive the Participant, the benefits which would have otherwise been paid to the named Beneficiary shall, at the option of the City, be paid to one of the following: the Participant's widow or widower, surviving children in equal shares, or the executor or administrator of the Participant.

3. Payment made to any person set out in the preceding paragraph will release the Pension Fund from all further liability to the extent of such payment.

4. If the Beneficiary designated is the executor or administrator of the Participant or a corporation, association, partnership or trustee, any pension payments to which the Beneficiary becomes entitled will be commuted and paid in one sum. If a Beneficiary dies after having become entitled to receive pension payments, any remainder of such will, unless otherwise provided by the Participant, be commuted and paid in one sum to the executor or administration of the Beneficiary. A Participant may elect that any pension payments to which his Beneficiary becomes entitled will be commuted and paid in one sum; or in the absence of such election and unless otherwise provided by the participant, a Beneficiary who is entitled to receive the pension payments may elect that the remainder of such payments be commuted and paid in one sum. Any such commutation will be made in accordance with the terms of Definition 21 of Article I.

Section D. Death Benefits: Limitations

1. In the event of a Participant's death after the commencement of benefits hereunder in accordance with a method of distribution permitted under Article IX, Section F, the death benefit, if any, payable to his Beneficiary shall be distributed in accordance with the method of distribution already in effect.

2. Notwithstanding any other provision in the Plan to the contrary, all death benefits paid pursuant to this Article VIII shall be distributed only in accordance with Code Section 401(a)(9) (and accompanying Treasury Regulations), as more fully set forth in Article IX, Section F.

3. Notwithstanding anything contained herein to the contrary, in the event a Participant has validly elected a method of distribution other than one permitted under Article VIII, Section D.2, payments hereunder shall be made according to such method of distribution, provided that (1) such method was elected by the Participant prior to January 1, 1984, and (2) such method was permitted by law and by the terms of the Plan as of December 31, 1983.

ARTICLE IX

NORMAL AND OPTIONAL FORMS OF PENSION

Section A. Normal Form of Pension

1. Except in the case of a disability benefit payable prior to the Participant's Normal Retirement Date, the normal form of pension under this Plan is a modified cash refund annuity which provides that lifetime pension payments in equal monthly installments will be payable to a Participant commencing on his retirement date (commencing on the Participant's Normal Retirement Date in the case of a Participant receiving disability benefits under the Plan) and terminating with the last payment payable preceding his death. The Participant's Beneficiary will receive a lump sum death benefit in an amount equal to the excess, if any, of the Participant's Pension and Disability Contributions together with Credited Interest thereon to the Participant's retirement date over the sum of the pension payments that have become payable.

2. In lieu of receiving his pension on the normal form of payment described above, the Participant may elect to receive a pension of equal value under an optional form of pension in accordance with the further terms of this Article provided, however, that a Participant who becomes eligible for a disability benefit may elect, prior to his Disability Retirement Date, to receive a disability benefit of equal value in accordance with Section B below.

3. The Participant may elect, or revoke an option at any time before his Retirement Date by filing written notice with the Employer. However, a Participant may not elect more than one option to be effective at the same time. No such election or revocation can be made after the Participant's Retirement Date.

   If a Participant elects an optional form of payment, the amount of pension benefit payable to him must be more than 50% of the present value of the pension benefit payable to the Participant had the option not been elected, unless the alternate recipient is the Participant's spouse; otherwise, such election will be inoperative.

Section B. Contingent Annuitant Option

1. Prior to his Early Retirement Date or Normal Retirement Date, whichever is earlier, or in the case of a Participant who is disabled, prior to his Disability Retirement Date, a Participant may elect the Contingent Annuitant option and designate a Contingent Annuitant. Such Contingent Annuitant shall not be more than 30 years younger than the Participant. Under this option, the Participant will receive a reduced annual pension (or disability benefit whichever applies) which, after his death, will be continued in the same amount or two-thirds or one-half thereof (as specified in the election) and paid to the Contingent Annuitant for life.

2. On the date a Participant's annual pension commences, if the Contingent Annuitant option is then in effect, the amount of annual pension (or disability pension) to which the Participant is entitled will be determined by multiplying the amount which would otherwise be payable to him by the appropriate Adjustment Factor attached to this Plan.

3. Upon the death of a Participant on or after his annual pension (or disability pension) commences, if the Contingent Annuitant option is in effect and if the Contingent Annuitant survives the Participant, the annual pension (or disability pension) in the amount that was payable to the Participant, or two-thirds or one-half thereof if so specified in the election, will be continued and paid to the Contingent Annuitant as long as he lives.

4. If either the Participant or the Contingent Annuitant dies before the Participant's annual pension (or disability pension) commences, this option will be inoperative except as may be provided in the following paragraph.

5. In the event of the death of a Participant on or after his Normal Retirement Date, and before his Postponed Retirement Date, if the Contingent Annuitant survives to the first day of the month next following the Participant's death, the Contingent Annuitant will become eligible to have an annual pension provided for him, under which an annual pension will be payable to the Contingent Annuitant commencing on such first day of the month and continuing as long as he lives. Such annual pension will be in the same amount as that which would have been payable to the Contingent Annuitant had the Participant's Postponed Retirement Date been such first day of the month and had the Contingent Annuitant survived him.

6. If in the case of a disabled Participant such Participant ceases to be eligible for disability benefits for reasons other than death, this option will be inoperative.

7. If the Contingent Annuitant dies before the Participant, or, if in accordance with the terms of divorce decree or legal separation, the Contingent Annuitant has waived all rights to benefits under the Plan, this option will become inoperative and the Participant's annual pension (or disability benefit) will be adjusted back to the full amount.

8. In the case of a Contingent Annuitant who is receiving payments hereunder on account of a disabled Participant's death, upon the death of the Contingent Annuitant a death benefit will be paid to the Participant's Beneficiary, in a lump sum, in an amount equal to the excess, if any, of the Participant's Pension and Disability Contributions with Credited Interest thereon to the earlier of the date of the Participant's death or the Participant's Normal Retirement Date over the sum of the payments that have become payable.

9. The Insurance Company reserves the right to make this option inoperative with respect to any Participant if the annual pension to the Contingent Annuitant would be less than $60.00.

10. A Participant's election, revocation or change under this Section shall be made by written notice filed with the City. Only one option described in this Article IX may be elected by the Participant.

Section C. Ten Year Certain Option

1. Prior to his Early Retirement Date or Normal Retirement Date, whichever is earlier, a Participant may elect the Ten Year Certain option. Under this option the Participant will receive a reduced annual pension with the provision, however, that the annual pension in such reduced amount will be payable for a period of at least ten years.

2. On the date a Participant's annual pension commences, if the Ten Year Certain option is in effect, the annual pension to which the Participant is entitled will be determined by multiplying the amount which would otherwise be payable to him by the appropriate Adjustment Factor attached to this Plan.

3. Upon the death of a Participant within the ten-year period beginning on the date his annual pension commences, if the Ten Year Certain option was in effect on the date his annual pension commenced, the annual pension in the amount that was payable to the Participant will be continued and paid to his Beneficiary during the remainder of such period.

4. This option will be inoperative if the Participant dies before his Early Retirement Date or Normal Retirement Date, whichever is earlier.

5. In the event of the death of a Participant on or after his Normal Retirement Date and before his Postponed Retirement Date, if the Ten Year Certain option is in effect, his Beneficiary will become eligible to have an annual pension provided for him, under which Retirement Annuity payments will be payable to the Beneficiary during the ten-year period commencing on the first day of the month next following the Participant's death. Such annual pension will be in the same amount as the annual pension that would have been payable to the Participant had his Postponed Retirement Date been on such first day of the month.

6. A Participant's election and revocation under this Section shall be made by written notice filed with the City. Only one option described in this Article IX may be elected by the Participant.

Section D. Social Security Option

1. For the purposes of this option, the following terms are defined:

   (a) Social Security Yearly Amount. A Participant's Social Security Yearly Amount is the yearly Primary Insurance Amount, or portion thereof, which the Participant is expected to receive under the Social Security Act.

   (b) Social Security Commencement Date. A Participant's Social Security Commencement Date is the first day of the month coinciding with or next following the date his Social Security Yearly Amount is expected to commence or the first day of the month next following his 65th birthday, whichever is earlier.

   When a Participant elects this option, his Social Security Yearly Amount and Social Security Commencement Date will be determined conclusively by the City on the basis of the Social Security Act as then constituted.

2. Prior to the date a Participant's annual pension commences, if such date precedes his Social Security Commencement Date, he may elect the Social Security option. Under this option, the amount of the annual pension payable to the Participant before his Social Security Commencement Date will be increased and the amount of the annual pension payable to the Participant on and after such date will be reduced.

3. The yearly amount of such increased Retirement Annuity payments will be equal to the yearly amount of Retirement Annuity payments which would have been payable to the Participant if this option had not been elected plus his Social Security Yearly Amount multiplied by the appropriate Adjustment Factor attached to this Plan.

4. The yearly amount of such reduced Retirement Annuity payments will be equal to the increased yearly amount of Retirement Annuity payments payable to the Participant before his Social Security Commencement Date minus his Social Security Yearly Amount.

5. Prior to the date his annual pension commences, a Participant may revoke this option.

6. The Insurance Company reserves the right to modify the terms of this option with respect to any Participant if the reduced annual pension payable to him would be less than $60.

7. A Participant's election and revocation under this Section shall be made by written notice filed with the City. Only one option described in this Article IX may be elected by the Participant.

Section E. Payment of Retirement Income to Participant

A Participant's retirement income will be payable monthly with each payment equivalent to 1/12 of the yearly amount. The first of such monthly payments will be made at the Participant's Retirement Date, with subsequent monthly payments being made at the first of each month thereafter until the Participant's death occurs.

Unless the Participant elects otherwise, the payment of retirement income shall commence not later than the 60th day after the latest of the close of the Plan Year in which:

(A) the Participant attains the earlier of age 65 or the normal retirement age specified, if different, or

(B) the tenth anniversary of the year in which the Participant commenced participation in the Plan occurs, or

(C) the Participant terminates his Service with the Employer.

Section F. Minimum Distribution Requirements.

1. General Rules.

   (a) The provisions of this Section F apply for purposes of determining required minimum distributions for calendar years beginning with the 2003 calendar year.

   (b) The requirements of this Section F will take precedence over any inconsistent provisions of the Plan; provided, however, that these provisions are intended solely to reflect the requirements of Code Section 401(a)(9) (and accompanying Treasury Regulations) and are not intended to provide or expand (and shall not be construed as providing or expanding) any benefit or distribution option not otherwise expressly provided for under the terms of the Plan.

(c) All distributions required under this Section F will be determined and made in accordance with the Treasury Regulations under Code Section 401(a)(9). The provisions of this Section shall apply only to the extent required under Code Section 401(a)(9) as applied to a governmental plan and if any special rules for governmental plans are not set forth herein, such special rules are hereby incorporated by reference and shall for all purposes be deemed a part of the Plan.

2. Time and Manner of Distribution.

(a) The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's Required Beginning Date.

(b) If the Participant dies before distributions begin, the Participant's entire interest (if any) will be distributed, or begin to be distributed, no later than as follows:

(i) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then subject to Section F.2(b)(v) below, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70-1/2, if later.

(ii) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then subject to Section F.2(b)(v) below, distributions to the designated Beneficiary shall begin by December 31 of the calendar year immediately following the calendar year in which the participant died.

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

(iv) If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section F.2(b), other than Section F.2(b)(i), will apply as if the surviving spouse were the Participant.

(v) If the Participant dies before distributions begin and there is a designated Beneficiary, distribution to the designated Beneficiary is not required to begin by the date specified in Section F.2(b)(i) or (ii) above, but only if the designated Beneficiary elects to have the Participant's entire interest distributed to the designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death. Such an election by the designated Beneficiary must be made no later than the earlier of September 30 of the calendar year in which the distribution would otherwise be required to begin under Section F.2(b)(i) or (ii), or September 30 of the calendar year that contains the fifth anniversary of the Participant's death.

For purposes of this Section F.2 and Section F.5, distributions are considered to begin on the Participant's Required Beginning Date (or, if Section F.2(b)(iv) applies, the date distributions are required to begin to the surviving spouse under Section F.2(b)(i)). If annuity payments irrevocably commence to the Participant before the Participant's Required Beginning Date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under Section F.2(b)(i)), the date distributions are considered to begin is the date distributions actually commence.

(c) Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the Required Beginning Date, as of the first Distribution Calendar Year distributions will be made in accordance with Section F.3, F.4, and F.5. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9) and the Treasury Regulations.

3. Determination of Amount to be Distributed Each Year.

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

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

(ii) The distribution period will be over a life (or lives) or over a period certain not longer than the period described in Section F.4 or F.5;

(iii) Once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;

(iv) Payments will either be nonincreasing or increase only as follows:

(1) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;

(2) to the extent of the reduction in the amount of the Participant's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in Section F.4 dies or is no longer the Participant's beneficiary pursuant to a qualified domestic relations order within the meaning of Section 414(p);

(3) to provide cash refunds of employee contributions upon the Participant's death; or

(4) to pay increased benefits that result from a Plan amendment.

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

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

4. Requirements For Annuity Distributions That Commence During Participant's Lifetime.

(a) If the Participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Participant and a non-spouse beneficiary, annuity payments to be made on or after the Participant's Required Beginning Date to the designated Beneficiary after the Participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Participant using the table set forth in Q&A-2 of Treas. Reg. §1.401(a)(9)-6. If the form of distribution combines a joint and survivor annuity for the joint lives of the Participant and a non-spouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated Beneficiary after the expiration of the period certain.

(b) Unless the Participant's spouse is the sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain for an annuity distribution commencing during the Participant's lifetime may not exceed the applicable distribution period for the Participant under the Uniform Lifetime Table set forth in Treas. Reg. §1.401(a)(9)-9 for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Participant reaches age 70, the applicable distribution period for the Participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Treas. Reg. §1.401(a)(9)-9 plus the excess of 70 over the age of the Participant as of the Participant's birthday in the year that contains the annuity starting date. If the Participant's spouse is the Participant's sole designated Beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Participant's applicable distribution period, as determined under this Section F.4, or the joint life and last survivor expectancy of the Participant and the Participant's spouse as determined under the Joint and Last Survivor Table set forth in Treas. Reg. §1.401(a)(9)-9, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the calendar year that contains the annuity starting date.

5. Requirements For Minimum Distributions Where Participant Dies Before Date Distributions Begin.

(a) Except as provided in Section F.2(b)(v), if the Participant dies before the date distribution of his interest begins and there is a designated Beneficiary, the Participant's entire interest (if any) will be distributed, beginning no later than the time described in Section F.2(b)(i) or (ii), over the life of the designated Beneficiary or over a period certain not exceeding:

(i) unless the annuity starting date is before the first Distribution Calendar Year, the Life Expectancy of the designated Beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the Participant's death; or

(ii) if the annuity starting date is before the first Distribution Calendar Year, the Life Expectancy of the designated Beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

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

(c) If the Participant dies before the date distribution of his interest begins, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this Section F.5 will apply as if the surviving spouse were the Participant, except that the time by which distributions must begin will be determined without regard to Section F.2(b)(i).

6. Notwithstanding anything contained herein to the contrary, any distribution option under the Plan that is consistent with a reasonable and good faith interpretation of Code Section 401(a)(9) shall be permitted under this Section F.

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

Section G. Direct Rollover Option

1. This Section G applies to distributions made on or after January 1, 2008. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this part, a "qualified distributee" may elect in writing, in accordance with rules prescribed by the Administrator, to have any portion or all of such payment that is an "eligible rollover distribution" paid directly by the Plan to the "eligible retirement plan" designated by the "qualified distributee"; provided, however, that this provision shall not apply if the total distribution is less than $200 and that a "qualified

distributee" may not elect this provision with respect to any partial distribution that is less than $500. Any such payment by the Plan to another "eligible retirement plan" shall be a direct rollover. For purposes of this Section, the following terms have the following meanings:

(a) An "eligible retirement plan" is:

(i) An individual retirement account described in Code Section 408(a), including a Roth IRA described in Code Section 408A;

(ii) An individual retirement annuity described in Code Section 408(b), including a Roth IRA described in Code Section 408A;

(iii) A qualified trust described in Code Section 401(a) or an annuity plan described in Code Section 403(a), that accepts the distributee's eligible rollover distribution;

(iv) An annuity contract described in Code Section 403(b) that accepts the distributee's eligible rollover distribution; and

(v) An eligible plan described in Code Section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, that accepts the distributee's eligible rollover distribution and agrees to account separately for amounts transferred into such plan from this plan.

The foregoing definition of eligible retirement plan shall also apply in the case of a distribution to a surviving Spouse, or to a Spouse or former Spouse who is the alternate payee under a domestic relations order as defined in Code Section 414(p).

(b) An "eligible rollover distribution" is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of 10 years or more; and any distribution to the extent such distribution is required under Code Section 401(a)(9).

A portion of a distribution shall not fail to be an eligible rollover distribution merely because the portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be paid only to an individual retirement account or annuity described in Code Section 408(a) or (b) or to a qualified trust or annuity plan described in Code Section 401(a) or 403(a) or an annuity contract described in Code Section 403(b) if such trust or annuity plan or contract provides for separate accounting for amounts so transferred (and earnings thereon), including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(c) A "qualified distributee" means a Participant, his surviving Spouse, or his Spouse or former Spouse who is an alternate payee under a domestic relations order, as defined in Code Section 414(p). A nonspouse beneficiary of a deceased participant is also a qualified distributee for purposes of this Section 10.5, provided, however, in the case of a nonspouse beneficiary, the direct rollover may be made only to an individual retirement account or annuity under Code Section 408 that is established on behalf of the nonspouse beneficiary and that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11). The determination of the extent to which a distribution to a nonspouse beneficiary is required under Code Section 401(a)(9) shall be made in accordance with IRS Notice 2007–7, Q&A 17 and 18, 2007–5 I.R.B. 395.

ARTICLE X

PAYMENT AND FORFEITURE OF BENEFITS

Section A. Frequency of Payment

1. Except as may be otherwise provided under this Plan, the Participant's annual pension will be paid in monthly installments equal to 1/12 of the annual amount commencing on his Early Retirement Date, Normal Retirement Date or Postponed Retirement Date, as the case may be, with subsequent payments payable on the first day of each month thereafter, terminating with the last monthly payment prior to the Participant's death.

Section B. Small Payments

1. If the Value of a Participant's benefit at his cessation of employment or death prior to commencement of benefits is $1,000 or less, the Plan Administrator may authorize a lump sum payment of such value in lieu of all future benefits.

Section C. Non-Assignability

1. All payments, benefits, and refunds hereunder to a Participant or other payee are for the support and maintenance of such payee and shall not be assigned, commuted or anticipated and shall be free from the claims of all creditors to the fullest extent permitted by law.

Section D. Facility of Payment

1. If, in the judgment of the City, any payee is legally, physically or mentally incapable of personally receiving and receipting for any payment due him, such payment or any part thereof may be paid to any person or institution who, in the opinion of the City is then maintaining or has custody of the payee until claim is made by the duly appointed guardian or other legal representative of the payee. Such payments will constitute a full discharge of the liability of the Pension Fund to the extent thereof.

Section E. Misstatements

1. If the date of birth, sex, or any other fact pertaining to a Participant's coverage under this Plan has been misstated, the annual pension will be adjusted to that provided by the City's contributions made on behalf, on the basis of the correct facts, or, at the option of the City, adjustment may be made in the liability under the group annuity contract or contracts. Overpayments will be charged against (to the extent possible), and underpayments will be added to, any further payments with respect to the Participant's coverage under this Plan.

ARTICLE XI

ADMINISTRATION

Section A. Administration

1. The Plan shall be administered by the City.

2. The City shall have such powers as are necessary for proper administration of the Plan, including but not restricted to the following:

   (a) To prescribe procedures to be followed by Employees in filing application for benefits and for furnishing of evidence necessary to establish Employee's rights to such benefits.

   (b) To make determinations as to the rights of an Employee applying for or receiving retirement benefits and to afford a mechanism for adjusting the complaint of any individual dissatisfied with any such determination

   (c) To develop procedures for determining service of Employees and, after affording Employees an opportunity after written notice to make objection with respect thereto, to establish such service in advance of retirement.

   (d) To authorize all disbursements from the Pension Fund in accordance with the provisions of this ordinance and to establish necessary procedures therefor.

   (e) To establish policies and standards and make determinations concerning disability for the purpose of this Plan.

   (f) To notify Employees at least 90 days prior to Normal Retirement Date of their right to elect the Contingent Annuitant option or Ten Year Certain and Life Annuity option hereunder and the terms thereof.

Section B. Inconsistency with Group Annuity Contract

1. In the case of any inconsistency between the provisions of this Plan and those of any group annuity contract or contracts issued by the Insurance Company, the latter shall govern to the extent required by the Insurance Company in order to provide for effective administration of the Plan

ARTICLE XII

AMENDMENT AND TERMINATION OF PLAN

Section A. Amendment and Termination

1. While it is the intent of the City that this Plan be permanent, the City necessarily reserves the right to amend from time to time or terminate this Plan, but any such amendment or termination shall not affect in any way the amount or terms of any benefits accrued prior to the effective date of such amendment, unless it is deemed advisable to make such amendment of retroactive effect in order to conform the Plan to the requirements of the appropriate Sections of the Code, or any benefits accrued prior to the effective date of termination of the Plan. In the event this Plan is terminated, the liability of the City under this Plan shall only be to the extent of all Participant's Pension and Disability Contributions which have not been refunded or used to provide benefits plus all benefits under the Plan to the extent funded as of the date of termination for al Participants who are active, retired or disabled or for other payees receiving benefits hereunder.

2. The City shall give notice to Participants prior to making any material changes to this Plan, except those required by statutes, and shall be available to receive and consider comments of Participants as to proposed changes. When the City Staff, City Council or a committee of the City Council has formulated the substance of a proposed material change, notice of the substance of the proposed change will be given Participants at least sixty (60) days before City Council votes on the proposal. This notice will contain a 'plain language' explanation of the substance of the proposed changes. Employees will have access to the Staff during such sixty (60) day period. If requested in writing by at least five (5) Participants, a meeting shall be held between the Staff and interested Participants at which time the Staff will explain the proposal and answer any questions. These questions and areas of concern must be submitted in writing by interested Participants at least five (5) days prior to the scheduled meeting. At least seven (7) days notice shall be given of the time and place of such meeting.

3. In addition to the foregoing, the City shall not hereafter adopt any amendment to this Plan (except where required by law or for tax qualification) which adversely effects benefits to Participants unless the City determines that such amendment includes offsetting benefit improvements of at least actuarially determined equal values. Provided, further that any disability formula benefit changes reflected in any amendment to this Plan shall not affect persons then retired on disability, except where required by law or for tax qualification.

Section B. Distribution at Termination

1. In the event this Plan is terminated, the Pension Fund shall be distributed among the Participants in a manner determined by the City precluding individual discrimination by the purchase of annuities or other equitable means of distribution, provided that if the balance in the Pension Fund exceeds the amount required to fully fund the benefits accrued to the date of termination for all Participants who are then active, retired of disabled or for other payees who are then receiving benefits hereunder, any such excess shall be returned to the City.

2. In the event there is a termination or a complete discontinuance of contributions under the Plan within the meaning of Code Section 401(a), the rights of all affected Participants to

benefits accrued to the date of termination shall be nonforfeitable and each Participant shall have a vesting percentage of 100%.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

Section A. Miscellaneous Provisions

1. This Plan shall not be construed to give any Participant the right to be retained in the employ of the City, or to interfere with the right of the City to discharge such Participant at any time, nor shall it be deemed to give the City the right to require such Participant to remain in its employ, nor shall this Plan interfere with the City's right to terminate the Participant's employment with the City at any time.

2. It shall be impossible at any time prior to the satisfaction of all liabilities with respect to Participants and Beneficiaries for any part of the corpus or income to be used for, or diverted to purposes other than for the exclusive benefit of Participants and Beneficiaries.

Section B. Special Maximum Pension Benefit Provisions

1. Maximum Benefit and Contributions

   (a) Notwithstanding any Plan provisions to the contrary, effective for Limitation Years beginning on or after January 1, 2008, to the extent necessary to prevent disqualification under Code Section 415, and subject to the remainder of this Section B, the maximum monthly benefit to which any Participant may be entitled in any Limitation Year with respect to his benefits under Article IV, V, or VI (hereafter referred to as the "maximum benefit") shall not exceed the defined benefit dollar limit (adjusted as provided in Section B.2), which limit shall be determined in accordance with the following:

      (1) The Defined Benefit Dollar Limit shall be $13,333, as adjusted for the Limitation Year under Code Section 415(d).

      (2) The Defined Benefit Dollar Limit as set forth above is the monthly amount payable in the form of a straight life annuity, beginning no earlier than age 62 (except as provided in Section B.2(b)(1)) and no later than age 65. In the case of a monthly amount payable in a form other than a straight life annuity, or beginning before age 62 or after age 65, the adjustments in Section B.2 shall apply.

   (b) In addition to the foregoing, to the extent necessary to prevent disqualification under Code Section 415, and subject to the remainder of this Article XI, the maximum Annual Additions for any Limitation Year shall be equal to the lesser of:

      (1) $40,000, as adjusted as adjusted for the Limitation Year under Code Section 415(d); or

      (2) 100% of the Participant's Remuneration.

(c) The dollar limits in this SectionB.1 shall be adjusted, effective January 1 of each year, under Code Section 415(d) in such manner as the Secretary shall prescribe. A limit as adjusted under Section 415(d) shall apply to Limitation Years ending with or within the calendar year for which the adjustment applies but a Participant's benefits shall not reflect the adjusted limit prior to January 1 of that calendar year. To the extent that the monthly benefit payable to a Participant who has reached his Normal, Early, Postponed or Disability Retirement Date is limited by the application of this Section B.1, such limit shall be adjusted to reflect any subsequent adjustments made in accordance with Code Section 415(d), but the adjusted limit shall apply only to benefits payable on or after January 1 of the calendar year for which the adjustment applies.

2. Actuarial Adjustments Relating to Defined Benefit Dollar Limit

(a) Adjustment for Benefit Payable in Form Other than Straight Life Annuity

(1) If a monthly benefit is payable in a form other than a straight life annuity, before applying the Defined Benefit Dollar Limit, the benefit shall be adjusted, in the manner described in Section B.2(a)(2) or (3), to the actuarially equivalent straight life annuity that begins at the same time. No actuarial adjustment to the benefit shall be made for (a) survivor benefits payable to a surviving spouse under a qualified joint and survivor annuity (as defined for purposes of Code Section 415) to the extent such benefits would not be payable if the Participant's benefit were paid in another form, (b) benefits that are not directly related to retirement benefits (such as a qualified disability benefit, preretirement incidental death benefits, and postretirement medical benefits), or (c) in the case of a form of benefit not subject to Code Section 417(e)(3), the inclusion of a feature under which a benefit increases automatically to the extent permitted to reflect cost of living adjustments and the increase, if any, in the defined benefit dollar limit under Code Section 415(d).

(2) If the benefit of a Participant is paid in a form not subject to Code Section 417(e), the actuarially equivalent straight life annuity (without regard to cost-of-living adjustments described in Section B.1) is equal to the greater of (a) the annual amount of the straight life annuity (if any) payable to the Participant under the Plan commencing at the same time, or (b) the annual amount of the straight life annuity commencing at the same time that has the same actuarial present value as the Participant's form of benefit, computed using a 5% interest rate and the applicable mortality designated by the Secretary of the Treasury from time to time pursuant to Code Section 417(e)(3).

(3) If the benefit of a Participant is paid in a form subject to Code Section 417(e), the actuarially equivalent straight life annuity is equal to the greatest of: (a) the annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the Participant's form of benefit, computed using the interest rate and mortality table (or other tabular factor) specified in the Plan for adjusting benefits in the same form, (b) the annual amount of the straight life annuity commencing at the time that has the same actuarial

present value as the Participant's form of benefit, computed using a 5.5% interest rate assumption and the applicable mortality table designated by the Secretary of the Treasury from time to time pursuant to Code Section 417(e)(3), or (c) the annual amount of the straight life annuity commencing at the same time that has the same actuarial present value as the Participant's form of benefit, computed using the applicable interest rate and the applicable mortality table designated by the Secretary of the Treasury from time to time pursuant to Code Section 417(e)(3), divided by 1.05.

(4) For purposes of this Section B.2, whether a form of benefit is subject to Code Section 417(e) is determined without regard to the status of the Plan as a governmental plan as described in Code Section 414(d).

(b) Adjustment for Benefit Commencement before Age 62 or after Age 65

(1) If the benefit of a Participant begins prior to age 62, the Defined Benefit Dollar Limit applicable to the Participant at such earlier age is an annual benefit payable in the form of a straight life annuity beginning at the earlier age that is the Actuarial Equivalent of the Defined Benefit Dollar Limit applicable to the Participant at age 62 (adjusted for participation of fewer than 10 years if applicable) computed using a 5% interest rate and the applicable mortality table designated by the Secretary of the Treasury from time to time pursuant to Code Section 417(e)(3). However, if the Plan provides an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, the Defined Benefit Dollar Limit is the lesser of: (1) the limitation determined under the immediately preceding sentence, or (2) the Defined Benefit Dollar Limit (adjusted for participation of fewer than 10 years if applicable) multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan at the age of benefit commencement to the annual amount of the immediately commencing straight life annuity under the Plan at age 62, both determined without applying the limitations of this section. The adjustment in this Section B.2(b)(1) shall not apply to a Participant with Credited Service of at least 15 years as an employee of the City police department or fire department within the meaning of Code Section 415(b)(2)(H). In addition, the adjustment in this Section B.2(b)(1) shall not apply as a result of benefits paid on account of Disability under Article VI or as a result of the death of a Participant under Article VII or Article VIII, Section A.

(2) If the benefit of a Participant begins after age 65, the Defined Benefit Dollar Limit applicable to the Participant at the later age is the annual benefit payable in the form of a straight life annuity beginning at the later age that is actuarially equivalent to the Defined Benefit Dollar Limit applicable at age 65 (adjusted for participation of fewer than 10 years, if applicable) computed using a 5% interest rate assumption and the applicable mortality table designated by the Secretary of the Treasury from time to time pursuant to Code Section 417(e)(3). However, if the Plan provides an immediately commencing straight life annuity payable

at both age 65 and the age of benefit commencement, the Defined Benefit Dollar Limit is the lesser of (1) the limitation determined under the immediately preceding sentence, or (2) the Defined Benefit Dollar Limit (adjusted for participation of less than 10 years if applicable) multiplied by the ratio of the annual amount of the adjusted immediately commencing straight life annuity under the Plan at the age of benefit commencement to the annual amount of the adjusted immediately commencing straight life annuity under the Plan at age 65, both determined without applying the limitations of this section. For this purpose, the adjusted immediately commencing straight life annuity under the Plan at the age of annuity starting date is the annual amount of such annuity payable to the Participant, computed disregarding the Participant's accruals after age 65 but including any actuarial adjustments even if those actuarial adjustments are used to offset accruals; and the adjusted immediately commencing straight life annuity under the Plan at age 65 is the annual amount of such annuity that would be payable under the Plan to a hypothetical participant who is age 65 and has the same accrued benefit as the Participant.

(3) For purposes of this Section B.2(b), no adjustment shall be made to the Defined Benefit Dollar Limit to reflect the probability of a Participant's death between the annuity starting date and age 62, or between age 65 and the annuity starting date, as applicable, if benefits are not forfeited upon the death of the Participant prior to the annuity starting date. To the extent benefits are forfeited upon death before the annuity starting date, such an adjustment shall be made. For this purpose, no forfeiture shall be treated as occurring upon the Participant's death if the Plan does not charge Participants for providing a qualified preretirement survivor annuity (as defined for purposes of Code Section 415) upon the Participant's death.

3. Reduced Dollar Limit

If the Participant has fewer than 10 years of participation in the Plan (as determined under Code Section 415 and the regulations thereunder), the Defined Benefit Dollar Limit shall be multiplied by a fraction, the numerator of which is the number of years (or part thereof) of participation in the Plan and the denominator of which is 10. The adjustment in this Section 11.3 shall not apply to benefits paid on account of Disability under Article VII or as a result of the death of a Participant under Section 9.2.

4. Benefits Funded by After-Tax Employee Contributions

The Defined Benefit Dollar Limit shall not apply to the portion of a Participant's benefit (determined as of his annuity starting date) that is attributable to the Participant's contributions. The determination of the extent to which the Participant's benefit (determined as of his annuity starting date) attributable to the Participant's contributions shall be made under the rules of Code Section 411(c) (using the actuarial assumptions thereunder), applied as if the Plan were subject to such Section 411(c).

5. Other Reductions in Maximum Benefit and Contributions

In addition to the foregoing, the maximum benefit and contributions shall be reduced, and the rate of benefit accrual shall be frozen or reduced accordingly, to the extent necessary to prevent disqualification of the Plan under Code Section 415, with respect to any Participant who is also a participant in:

(a) Any other tax-qualified retirement plan maintained by the City, including a defined benefit plan in which an individual medical benefit account (as described in Code Section 415(l)) has been established for the Participant;

(b) Any welfare plan maintained by the City in which a separate account (as described in Code Section 419A(d)) has been established to provide post-retirement medical benefits for the Participant; and/or

(c) Any retirement or welfare plan, as aforesaid, maintained by an affiliated or predecessor employer, as described in regulations under Code Section 415, or otherwise required to be taken into account under such regulations.

6. Miscellaneous

(a) Multiple Annuity Starting Dates. If a Participant has distributions commencing at more than one annuity starting date (determined in accordance with Code Section 415 and the regulations thereunder), the benefits payable as of each such annuity starting date shall satisfy the limitations of this Section 6.8 as of each such date, actuarially adjusting for past and future distributions of benefits commencing at the other annuity starting dates.

(b) Grandfathered Benefits. The application of the provisions of this section shall not cause the maximum permissible benefit for any Participant to be less than the Participant's Accrued Benefit under this Plan as of the end of the last Limitation Year beginning before July 1, 2007 under provisions of this Plan that were both adopted and in effect before April 5, 2007 and that satisfied the limitations under Code Section 415 as in effect as of the end of the last Limitation Year beginning before July 1, 2007.

(c) Incorporation of Section 415 Limits. To the extent a Participant's benefit is subject to provisions of Code Section 415 which have not been set forth in the Plan, such provisions are hereby incorporated by reference into this Plan and for all purposes shall be deemed a part of the Plan.

IN WITNESS THEREOF, the City has caused this Plan to be executed this 22nd day of January, 2009.

By: _____

James K. Hartmann, City Manager

EARLY RETIREMENT ADJUSTMENT FACTORS

Number of Years and Months from Retirement Date to Age 56

Months	Years: 0	1	2	3
0		94.0%	90.4%	86.8%
1	99.5%	93.7%	90.1%	86.5%
2	99.0%	93.4%	89.8%	86.2%
3	98.5%	93.1%	89.5%	85.9%
4	98.0%	92.8%	89.2%	85.6%
5	97.5%	92.5%	88.9%	85.3%
6	97.0%	92.2%	88.6%	85.0%
7	96.5%	91.9%	88.3%	84.7%
8	96.0%	91.6%	88.0%	84.4%
9	95.5%	91.3%	87.7%	84.1%
10	95.0%	91.0%	87.4%	83.8%
11	94.5%	90.7%	87.1%	83.5%

Months	Years: 4	5	6
0	83.2%	79.6%	76.0%
1	82.9%	79.3%	
2	82.6%	79.0%	
3	82.3%	78.7%	
4	82.0%	78.4%	
5	81.7%	78.1%	
6	81.4%	77.8%	
7	81.1%	77.5%	
8	80.8%	77.2%	
9	80.5%	76.9%	
10	80.2%	76.6%	
11	79.9%	76.3%	

Table B-1

YEARS CERTAIN ADJUSTMENT FACTORS

AGE*	5 CC	6 CC	10 CC	15 CC	20 CC
41	99.9%	99.8%	99.4%	98.6%	97.6%
42	99.8%	99.8%	99.3%	98.5%	97.3%
43	99.8%	99.7%	99.2%	98.3%	96.9%
44	99.8%	99.7%	99.1%	98.0%	96.6%
45	99.8%	99.6%	99.0%	97.8%	96.2%
46	99.7%	99.6%	98.9%	97.5%	95.8%
47	99.7%	99.5%	98.7%	97.2%	95.3%
48	99.6%	99.5%	98.6%	96.9%	94.8%
49	99.6%	99.4%	98.4%	96.6%	94.3%
50	99.5%	99.3%	98.2%	96.2%	93.7%
51	99.5%	99.3%	98.0%	95.9%	93.1%
52	99.4%	99.2%	97.8%	95.4%	92.4%
53	99.4%	99.1%	97.6%	94.9%	91.6%
54	99.3%	99.0%	97.3%	94.4%	90.8%
55	99.2%	98.9%	97.1%	93.8%	89.9%
56	99.1%	98.8%	96.7%	93.2%	88.9%
57	99.0%	98.6%	96.4%	92.5%	87.9%
58	98.9%	98.5%	96.0%	91.7%	86.7%
59	98.8%	98.3%	95.5%	90.8%	85.4%
60	98.6%	98.1%	95.0%	89.8%	84.1%
61	98.5%	97.8%	94.4%	88.7%	82.6%
62	98.3%	97.6%	93.7%	87.5%	81.1%
63	98.1%	97.3%	93.0%	86.2%	79.4%
64	97.8%	96.9%	92.1%	84.8%	77.7%
65	97.5%	96.5%	91.1%	83.3%	75.8%
66	97.2%	96.0%	90.1%	81.7%	73.9%
67	96.8%	95.5%	89.0%	80.0%	72.0%
68	96.3%	94.9%	87.8%	78.2%	69.9%
69	95.8%	94.2%	86.5%	76.3%	67.9%
70	95.3%	93.5%	85.1%	74.4%	65.8%
71	94.7%	92.7%	83.6%	72.4%	63.8%
72	94.1%	92.0%	82.1%	70.4%	61.7%
73	93.5%	91.1%	80.5%	68.4%	59.6%
74	92.8%	90.2%	78.7%	66.3%	57.5%
75	92.0%	89.1%	76.8%	64.1%	55.4%

*Age nearest birthday on Retirement Date, or on date Years Certain and Life option becomes effective, if later.

Factors for other ages will be determined in a manner consistent with the manner used in determining these factors.

71GAM, 6%
6/6-0/6
LA to NYC Option

Table B-2

SOCIAL SECURITY ADJUSTMENT FACTORS

Number of Years From Retirement Date to Social Security Commencement Date	Participant's Age Nearest Birthday on Social Security Commencement Date			
	62	63	64	65
10	41.0%	40.2%	39.4%	38.5%
9	44.5%	43.7%	42.9%	42.0%
8	48.3%	47.5%	46.7%	45.8%
7	52.6%	51.8%	51.0%	50.1%
6	57.3%	56.6%	55.8%	54.9%
5	62.6%	61.9%	61.1%	60.3%
4	68.4%	67.8%	67.1%	66.4%
3	75.0%	74.4%	73.9%	73.2%
2	82.4%	81.9%	81.5%	81.0%

If the number of years is not an integer, the percentage will be determined by a straight line interpolation between the percentage for the next higher integer and the percentage for the next lower integer.

Other factors will be determined in a manner consistent with the manner used in determining these factors.

71GAM, 6%
6/6-0/6
LA/MCRA to LA/MCRA
SS Option

Table B-2

APPENDIX 1

Gainful Employment Provisions Applicable
to Disability Retirees at May 24, 1983 Making
Affirmative Election to Return to Old Provisions

Article VI, Section F 5(a)

(a) is equal to the amount of earnings received from gainful employment in the preceding calendar year which is in excess of the greater of (i) or (ii)

(i) the Participant's Earnings received from the City in the 12-month period immediately preceding his disability,

(ii) the current average entry level Earnings for either a police officer or firefighter, whichever applies, and

(b) for a Participant disabled in accordance with Section C is the annual amount of periodic payments payable if any, under the Workmen's Compensation Act of the Commonwealth of Virginia.

Article VI, Section G 2

In order for a disability benefit to be paid to a Participant who is partially disabled in accordance with Sections C or D of this Article when such Participant is engaged in gainful employment, the Participant will be required to report his total earnings received during each calendar year when he is so gainfully employed and provide the City with such documents that will substantiate the earnings being reported including the following acceptable documents: 1. federal income tax return, or 2. notarized statement from a Certified Public Accountant stating that such earnings did not exceed the limitation set forth in F 5(a) above. These earnings shall include any salary, wages, commissions or fees, but excluding income from investments or savings for which the Participant is contributing neither time nor talent. It will be expected that these documents will be made available to the City by April 15, but, in the event of delay, consideration will be given to suspending payment of disability benefits after May 1.

RESOLUTION NO. 2306

WHEREAS, the City of Alexandria maintains the "City of Alexandria Pension Plan for Firefighters and Police Officers" (the "Plan"); and

WHEREAS, the City of Alexandria desires to adopt and incorporate certain amendments to the Plan as set forth in the Plan attached hereto; and

WHEREAS, the City of Alexandria desires to restate the Plan attached hereto; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ALEXANDRIA, VIRGINIA THAT the Alexandria City Council does hereby recognize, adopt, amend, approve and restate the Plan to incorporate the amendments attached hereto and incorporated fully herein by reference; and

BE IT FURTHER RESOLVED THAT this Resolution shall be effective immediately; provided however, that the amendments hereby approved shall be effective as stated in the Plan.

ADOPTED: December 9, 2008

WILLIAM D. EUILLE MAYOR

ATTEST:

Jacqueline M. Henderson, CMC City Clerk